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# ***JPRS Report***

## **East Europe**

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17 JUNE 1987

## EAST EUROPE

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CZECHOSLOVAKIA

POLITICAL

ADAMEC RECEIVES CZECH RELIGIOUS FIGURES

LD251819 Prague CTK in English 1535 GMT 25 May 87

[Text] Prague May 25 (CTK)--Czechoslovak Communist Party Presidium member and Czech Premier Ladislav Adamec met here today with representatives of non-Catholic churches and religious communities in the Czech Republic, representatives of the regional association of the Christian Peace Conference, led by its chairman Milan Salajka.

Miroslav Novak, bishop-patriarch of the Czechoslovak Hussite church, expressed support for the efforts of the Czechoslovak state for the restructuring of society and for efforts to maintain world peace.

Ladislav Adamec expressed the conviction that this policy will be met with the consent and initiative of the believers. He appreciated the role of the churches and of religious organizations in the peace movement in Czechoslovakia and on an international scale and highly praised the activity of the regional association of the Christian peace conference and all church dignitaries representing Czechoslovakia in various international organization.

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CSO: 2020/99

## POPE'S LATIN AMERICAN TRIP ANALYZED

AU140756 Prague TRIBUNA No 17 in Czech 29 Apr 87 pp 8, 9

[Radim Drozd article: "On the Fringe of the 'Pastoral' Trip of John Paul II"]

[Excerpts] Pope John Paul II's 33d trip outside Italy took him to Uruguay, Chile, and Argentina from 1-13 April. The preparations for his stay in Chile in particular evoked surprise and speculation about the purpose of this visit among the world public: Was it to give support to the fascist regime, was it to contribute to criticism of Pinochet and to assist progressive forces? In any case, even the bourgeois communications media said that this was the pope's "most delicate" trip.

In Chile left-wing forces and the people's masses regarded the visit as an opportunity to escalate their fight against Pinochet.

Both the right-wing opposition and a large part of the Catholic Church in Chile understand slogans about democracy as a return to the traditional bourgeois political system, established by peaceful means--or as "Pinochetism" without Pinochet. The pontifex's delicate visit could only contribute to reaching this goal, even though the Vatican was preparing it as a "balanced" trip in order that none of the sides could interpret it in its own favor.

"Violence must not become part of Christianity...." This is the warning of the Catholic hierarchy, which--under a right-wing dictatorship, for instance in China--unambiguously disapproves of creating unity in the fight against the rule of terror. At the same time, in church parlance violence is not merely armed struggle (which the Vatican had warned against in Chile), but also the people's resolute mass actions.

In this way the visit to be paid to Chile by the top representative of the Catholic Church was not intended to become solely a formally and diplomatically "balanced" pastoral visit--it also had a political viewpoint. Despite the statements that he is going to Chile to strengthen its population against injustice, the pope did not honor the suffering working people by his visit: By his visit he honored the Catholic Pinochet, who had come to power with the significant assistance of clericalists.

Meanwhile for the United States the Chilean dictator is the "solution" in the fight against "communist danger"--although, because of the people's resistance, his person could become undesirable. Put simply, the strategy would remain unchanged, and only the tactics would change. And the Vatican leaves the door open for different variations.

But by shaking hands with Pinochet the pope has considerably dirtied his hands--which he refused to offer to a progressive priest and minister of the Nicaraguan Government in 1983. The Vatican has thus again proved that it cannot play its declared role as a "third force" in the world because it is systematically supporting reaction.

Are such meetings--regardless of whether they take place in Europe or America--really as unpolitical as the Vatican declares? Is the Vatican's representative really only the shepherd who loves the sinner and hates sin, and thus also the unbearable social and spiritual wrongs done to the people by the exploiters? Because he felt the "delicate" nature of his visit to Chile, he stressed that "despite all burning problems, he had [as published] come to Chile exclusively on a religious and pastoral mission." By this, however, he diminished the significance of the speeches in which he condemned injustice as such, even if without naming names.

The Pope also proved that in reality the Vatican is pursuing an unambiguous class policy by telling journalists on board the plane: "...A dictatorship regime rules in Chile, a regime which considers itself temporary.... It provides the guarantee that it sincerely wishes to return to democracy." Surely this statement signifies unequivocal support for Pinochet, although it is dressed in the cloak of diplomacy! He shows no such restraint with regard to socialist countries. Because on his way to Chile he said: "It is different in Poland. The people there are suffering because they see no way out of the existing situation,"

Thus, the Vatican's behavior is not apolitical at all. Its stand fully corresponds to the North American conservative concept of the "struggle for human rights." This concept regards so-called authoritarian states (for instance Chile) as nonconstitutional, but at the same time as deserving U.S. support because (it is said) they are not based on ideology and can change into liberal regimes. But the "totalitarian dictatorships" in the socialist countries, which are supported by ideology, are "unreformable," so that it is necessary (they say) to use every means to eliminate them.

John Paul II has also showed this standpoint quite clearly in his statement at the Catholic University in Santiago de Chile: "...You are daily subjected to difficulties; and conditions in your country have produced a certain loss of orientation, uncertainty. But cast aside the temptation to lean toward atheist ideology and materialism." These words actually warn against progressive ideology and against the notions about the country's future that correspond to it.

But the times when the church could preach without consequences about the pastoral understanding of "dialogue," in which the word belongs only to one

side, are in contradiction to the present reality, as is the claim that it is "totally un-Christian" to use anything but prayer in the struggle for social justice. This is how the Vatican reacts when it condemns "liberation theology" and its followers--the priests defending the people's right not only to spiritual consolation, but also to social and economic changes, even weapon in hand. The Vatican has labelled these priests "victims of Marxist-Leninist infiltration," saying that they are contributing to disruption instead of an effective struggle against a shocking violation of human rights; and the pope brings with him the "message of salvation."

In this way the leadership of the Catholic Church understandably professes allegiance to so-called Christian humanism; under this cloak it blesses "all brothers in Christ." It is thus again contradicting its own assurances about the moral and "unbiased" mission of the church in the present world. Because, face to face with victims of systematic terror, any attempt to achieve "equilibrium" or "impartiality" means support for the dictator.

Verbal, noncommittal consolidation does not help the people's masses. By providing this the Vatican merely avows the changes in those countries which it regards as its hope. This primarily applies to Latin America, which is inhabited by approximately two out of every five Catholics in the world. Understandably, the question crops up of whether the Vatican represents the same "hope" for the impoverished population. The pope's recent trip excludes an answer in the affirmative, since what was strengthened was primarily the system in which the poor are imbued with respect for the property of others, all in the Lord's name. This is the highly political result. The only thing left is to ask: With what policy does the Vatican have a lot in common; and why is it hiding this? We found one answer in the magazine DER SPIEGEL; in a 1980 issue it says: "Many nations of the Third World are 'underdeveloped' primarily because the Christian Western countries have destroyed and exploited their culture. The pope should at least self-critically indicate this during his trips to South America and Africa on some occasion!" But such self-criticism would be equal to a confession of why the Vatican organizes meticulously "balanced trips," instead of consistently defending real human rights.

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CSO: 2400/289

## HOFFMANN ADDRESSES PARTY FUNCTIONARIES AKTIV

AU220841 Bratislava PRAVDA in Slovak 20 May 87 p 1

[CTK report: "Aktiv of Party Functionaries in Prague; New Impulses for Further Activity; Comrade Karel Hoffmann Spoke in Conclusion of the Aktiv Meeting"]

[Text] Prague (CTK)--The aktiv of party functionaries in the ministerial branches of transport, communications, trade, the building industry, medical care, and the agencies of people's control and the sphere of social insurance, assembled in Prague yesterday [19 May]. Their meeting was chaired by Karel Hoffmann, CPCZ Central Committee Presidium member and Central Committee secretary.

In an extensive discussion the participants dealt with the elaboration of the resolution adopted by the Fifth CPCZ Central Committee Session and with the utilization of incentives provided by the CPSU Central Committee's January session under the specific conditions of their workplaces in the solution of topical problems and the elimination of shortcomings which they encounter in their daily work. Their energetic and frank exchange of views provided new impulses for the further work of party organizations and the leading staff under the conditions of the current development in individual ministerial branches, and for the mobilization of forces for implementing the 17th CPCZ Congress resolution.

Comrade Karel Hoffmann spoke toward the end of the aktiv meeting.

The topical tasks and problems connected with the restructuring of our society's life were dealt with by Frantisek Ondrich, minister chairman of the CSSR People's Control Committee; Miloslav Boda, CSSR minister of labor and social affairs; Jiri Jira, CSSR minister of communications; and other leading economic figures and party staff members.

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CSO: 2400/289

## INTERNATIONAL SEMINAR ON COMMUNIST MOVEMENT OPENED

AU051122 Bratislava PRAVDA in Slovak 28 Apr 87 p 1

[Text] Casta (CTK)--A theoretical seminar on "The International Communist Movement and Socialism as a World Reality" opened in Casta yesterday [27 April]. It is attended by representatives of scientific and teaching institutions attached to the Central Committee of Communist and Workers Parties in the People's Republic of Bulgaria; Cuba; the Hungarian People's Republic, the GDR; the Polish People's Republic; the USSR; and the CSSR. The purpose of the 3-day event, prepared by the CPCZ Central Committee's Advanced School of Politics in Prague and by the CPCZ Central Committee's Department of the Advanced School of Politics in Bratislava, is to discuss from a theoretical and practical point of view the latest congress resolutions of the fraternal countries of the socialist countries on topical issues and problems of the contemporary international communist movement and the development of socialism. Attention is mainly focused on the role and position of communist and workers parties of the socialist countries in the current revolutionary process.

The participants in the seminar were received by Ludovit Pezlar, member of the Presidium and secretary of the Central Committee of the Slovak Communist Party (CPSL), yesterday afternoon. In a friendly talk he briefed them on the tasks faced by communists and all working people in the Slovak SR in realizing the strategy of accelerating the socioeconomic development, formulated by the 17th CPCZ Congress. He focused primarily on the topical issues of the party's ideological work and the possibilities of further developing cooperation among the socialist countries. The reception was attended by Jozef Sevc, CPSL Central Committee department head.

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## WFTU OFFICIAL ON NEED FOR CHANGES IN ILO

AU251946 Bratislava PRAVDA in Slovak 19 May 87 p 6

[Interview with Emil Hamernik, head of the WFTU Department for Cooperation With the United Nations, by Dusan Brabec: "Our Aim Is a New Character of the Tripartite System; Interview on ILO and Its Activity"; date and place of interview not given]

[Excerpts] [Brabec] At the root of the unjust solution of social issues by the ILO lies its so-called tripartite system. Could you tell us something about the structure of this organization?

[Hamernik] The structure of the organization is founded upon the so-called tripartite system of representatives of governments, employers, and trade unions. This system is based on the idea of class reconciliation, that is, on "cooperation" between governments, private entrepreneurs, and the working people. The very founding of the ILO was motivated by the efforts of bourgeois governments to stop and paralyze the revolutionary movement of the working masses influenced by the Great October Socialist Revolution. They wanted to create the impression that the interests of these working masses would be dealt with by an "impartial" tripartite agency. It is characteristic that reactionary forces in the ILO continue to champion this principle in the spirit of their reformist approaches. This also includes some reactionary trade unions linked with the world capital. Some progressive forces in the ILO, including the WFTU, on the other hand, seek to give the tripartite system a new character that would reflect the changed situation in the world. That is why the struggle is being stepped up on the premises of the ILO itself for a qualitatively new type of relations, for asserting progressive changes within the ILO in the interest of the working people and the workers class in particular.

Deplorably, the adaptation of ILO's structure and program to the new realities is being impeded by a lack of will on the part of Western governments because the situation as it is now suits them.

[Brabec] Even the most recent history confirms that some states are making illicit use of the ILO in order to attack the socialist countries. Is there a way of defending oneself?

[Hamernik] The efforts of reactionary forces to misuse the ILO to attack the socialist countries and their trade union organizations are known. However, there exist specific arguments to counter these sallies--not only on ILO premises but also before the world public. For example, the socialist countries have ratified all the most important ILO conventions. The United States, on the other hand, has ratified only 7 of these 161 ILO conventions and all of these ratified conventions are of secondary importance. Yet representatives of the U.S. administration like to advise and lecture others on democracy in relation to these ILO conventions!

[Brabec] Are there at all any prospects for progressive cooperation within the ILO framework?

[Hamernik] As I have already mentioned, our adversaries had dug their trenches for combatting us as early as 1919. Since then they have quietly built an organizational structure that serves their purpose and which will not be easy to change. However, in the end life itself will compel such a change nonetheless. This will undoubtedly be a long-term affair. Our duty is to speed up this process of unavoidable changes as much as possible. That is why we take every opportunity to explain to our partners the inevitability of changes within the ILO framework.

Our negotiations are complicated and difficult because we are dealing with representatives of trade union organizations which in Western as well as in developing countries exert a major influence on political and public life. We know in which direction they exert this influence. In spite of this, the ILO is of tremendous importance to the WFTU and its member organizations. It is irreplaceable as the venue of many bilateral talks that promote mutual understanding and have an impact on the further development of official bilateral relations between both trade union and political organizations.

The WFTU leadership and its member federations are convinced that, in view of its universal nature, an international organization such as the ILO should play a more pronounced role in the struggle for peace, in the struggle of the working people and trade unions of the whole world against the efforts of the ruling classes of capitalist countries to shift the burden of the crisis of their system to the shoulders of the working people. In the recent past we have succeeded in the ILO in pushing through some initiatives concerning the struggle against transnational monopolies and the like, initiatives which have undoubtedly contributed to enhancing the WFTU's prestige, and that not only within the ILO framework.

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## WRITERS CONGRESS CLOSES 15 MAY; KOZAK REELECTED

LD151555 Prague Domestic Service in Czech 1630 GMT 15 May 87

[Excerpts] Vlasta Tilmanova reports on the course of the 3d Congress of the Czechoslovak Writers Association which ended in Dobris today.

[Tilmanova] Also speaking in the discussion was the head of the party and government delegation to the congress, Milos Jakes, member of the Presidium and secretary of the CPCZ Central Committee. At the beginning he emphasized that our literature should mainly be concerned with achieving to the full extent the greatness and needs of its time. He also concerned himself with the conditions which society is creating at the moment for literary work. In this connection he said,

[Begin Jakes recording] In all areas of life of socialist society, creative thinking is becoming the key to faster and more valuable development. This is what opens great space for the discovery of the living truth by artistic means. Also in discussion at the congresses of national associations and here, there questions are being pointed out. They concern the key problems of the development of our society which one way or another influence the social atmosphere. A black and white view of reality, replacing one half-truth with another consumerism, schematism, whether in the form of negativism of making light of the difficulties and contradictions in life, none of this, whether it appears in literature or anywhere else, will help us in our struggle for restructuring.

It is vital to wage a consistent war with bureaucracy, fossilization, conservatism, dogmatism, inertia, everywhere, including in culture. Bureaucracy kills initiative, poisons the creative atmosphere. As everywhere else, in this area also, administrative methods of management with instructions and bans will not help. We need an atmosphere of mutual trust between the party, state organs and cultural creation. Literature should even give inspiration to politics and point out the problems which literature itself often sees earlier than science. It is valid that above all you the writers will decide what our literature will be like. In this you have a unique responsibility.

[end recording]

The participants of the congress elected new officials of the association. National Artist Jan Kozak once again became the chairman of the Czechoslovak Writers Association.

At the close of their session the delegates sent a letter of greeting to the CPCZ Central Committee. In it they pledged that they wish to use their work to help develop the socialist conviction of the people of our homeland, to strengthen their sense of moral values and to help in the true understanding of the age in which we live.

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CSO: 2400/289

## ECONOMIC RESTRUCTURING PLACED IN WIDER CONTEXT

Prague RUDE PRAVO in Czech 30 Jan 87 p 1

[Editorial: "A Word Not Exclusively to Captains of Industry"]

[Text] "If we review the achievements of 1986, we ask--as we must--what was last year's contribution to the intensification program, we must admit that the progress there was very slow." This quotation from Comrade Lubomir Strougal's address to the statewide work conference on enforcing the decisions of the fourth session of the CPCZ Central Committee set the tone for all subsequent assessments and disclosure of causes of the unsatisfactory situation and, above all, for the clarification of the ways and means for our further work.

The documents approved and published in recent weeks have already said much about the methods which must be expeditiously implemented and which we must follow in our work. Why, then, had our party's Central Committee, the CSSR government and the Central Council of Trade Unions convoked a work conference of general directors and other executives of the production and commercial sphere?

First, it was due to the immediate and urgent need to begin a new chapter in our national economy and to introduce in our national economic management, planning and organization a new program based on a more efficient division of labor and on delegation of authority and responsibility. At this particular time the Principles for the Restructuring of the Economic Mechanism of the CSSR are only principles on whose basis a comprehensive document will be prepared in the course of this year; this fact changes nothing on the urgency of which we speak and neither does the fact that a test not only of the new factors but also of whole categories of authority and responsibility is actually beginning.

After all, neither that nor anything else gives anybody the prerogative of following old methods of work as before, until the moment when everything is specified to the last letter. We cannot go on giving preference to the fulfillment of quantitative indicators of the state plan instead of focusing all our attention on qualitative indicators. This change in fact does not need to wait for anything more because it has been addressed on more than one occasion in the past to our whole economic sphere. Nevertheless, when assessing its results, we must admit that even here the progress has been slow.

There are questions concerning the quality of our goods and its failure to meet the demands of our domestic market and of foreign trade. Quality is like an iceberg--only that part which appears in the market is rated, but little attention is paid to the conditions in which it was produced and to the losses in the process of its production. Strict measures have been adopted to deal with this problem; however, along with some positive responses to that step, there are voices expressing satisfaction that this or that enterprise is able to stay within the limits set for claims or waste. Is this a legitimate reason for rejoicing and does it entitle anyone not to give another thought to the possibilities and ways of achieving further improvement and higher efficiency?

Can we continue to approve with resignation investments which, when put into operation, fail to produce planned results? Or construction projects which remain unfinished for a long time? Or the escalating budget costs? Or grossly undisciplined investors, suppliers and planners? Enormous funds invested in our national economy year after year determine the future of our economy and its standard. Even in this whole area we can no longer comply with mediocrity--what was good enough last year is good enough this year. Naturally, the comprehensive document on economic mechanism will introduce new views and demands for all investment policies, but it would be a reprehensible waste of both time and money not to attempt to make changes right now.

One cannot regard the restructuring of our economic mechanism as a routine task. Therefore, when discussing the Principles in the session of the Presidium of the CPCZ Central Committee, Comrade Gustav Husak very correctly characterized them as the most revolutionary change in the management of our socioeconomic processes since February 1948.

The restructuring of our economic mechanism puts on our daily agenda the duty to resolve a great variety of issues not only concerning the economic base per se, but also the whole superstructure--in essence every sphere of our public life.

It is no coincidence that the characteristics of our concept of restructuring are the same as those of the restructuring program of our Soviet comrades. The solution of key problems of our times, the central of which is a far-reaching development of the most sophisticated factors of production, has long ago reached beyond the borders of individual countries. Thorough internationalization of that effort opens the way to overcoming of the technological lag in certain branches. However, the achievement of that goal is primarily up to ourselves.

Therefore, the purpose of the restructuring of our economic mechanism is to open a space for the creative forces of our society and to utilize our full inner potential for the fulfillment of the programs approved by the 17th CPCZ Congress for this 5-year plan and for the period up to the year 2000.

Where should we see that space? In essence, the restructuring of our economic mechanism means more independence, authority and responsibility for our enterprises. They must respect our public needs and priorities and made

independent decisions about the use of our resources and about the structure of our production--in other words, about creative economic programs based on socialist ownership. This is a powerful stimulus for creativity which must find as soon as possible support of the wide ranks of our working people, particularly in their attitude to R&D achievements and to the changing demands of foreign and domestic customers.

Due to expanded factors of self-government the restructuring of our economic mechanism is undoubtedly characterized, among other things, by substantially higher participation of our working people in management. The range of the new authority and responsibility of our enterprises will demand the fulfillment of tasks which makes the involvement of work teams absolutely imperative; there will be increasing numbers of issues in whose decision work teams will participate and naturally, for whose results they will bear responsibility.

As Comrade Strougal reminded the work conference, the restructuring of our economic mechanism will not only affect our industry and trade but will have a significant impact on many other branches, such as transportation, agriculture, services, etc. Those branches must also overcome their old routine and, in particular, the stereotype which finds it necessary to call for changes everywhere but in one's own place of work, as well as the stereotype of formally approving the necessary changes while in fact evading their planning.

It is absolutely imperative to change the routine way of thinking because old methods cannot do justice to new tasks. This will make in the future, and is making now, considerable new demands especially on our managerial cadres who are subject to daily scrutiny by our public which judges them more severely than it judges itself. Our time needs individuals able to give our economy the needed push and to offer our society the best they have. Such persons will always have full political support.

The restructuring of our economic mechanism has opened a wide area for our political, ideological-educational and organizational work. Under the leadership of the CPCZ's agencies and organizations and following the communists' personal example, a decisive battle must be waged for our people's consciousness and creativity in every place of work.

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CSO: 2400/141

## BRIEFS

PRAVDA CHIEF EDITOR FUNERAL--The funeral of Bohus Travnicek, member of the CPSL Central Committee Secretariat, chief editor of PRAVDA and deputy of the Slovak National Council, who died at 60 after a short serious illness, took place in Bratislava today. Present at the ceremony in the Slovak Philharmonic Hall with the deceased's family were Jozef Lenart, first secretary of the CPSL Central Committee, and Peter Colotka, premier of the Slovak Government, both members of the CPCZ Central Committee Presidium; Jan Fojtik and Josef Haman, candidate members of the presidium and secretaries of the CPCZ Central Committee; Miloslav Hruskovic and Ignac Janak, candidate members of the CPCZ Central Committee presidium and secretaries of the CPSU Central Committee; Zdenek Horeni, member of the CPCZ Central Committee Secretariat and chief editor of RUDE PRAVO; Viliam Salgovic, member of the CPSU Central Committee Presidium and chairman of the Slovak National Council; and other representatives.  
[Excerpt] [Prague Domestic Service in Czech 1500 GMT 21 May 87 LD] /9274

CSO, 2400/289



## CHIEF MILITARY CENSOR ON CENSORSHIP

AU170727 Budapest MAGYAR HIRLAP in Hungarian 14 Apr 87 p 3

[Interview with Colonel Albert Gomori, head of the Military Censorship Department of the Hungarian People's Army command, by Istvan Illes: "Interview With the Hungarian People's Army's Chief Censor—One Must Know What To Keep Secret"—date and place not given]

[Text] In every country in the world military services are protected and care is taken to avoid leaking information through mass communication facilities which would violate the interests of national defense. We have prepared an interview about our own practice with Colonel Albert Gomori, chief censor of the Hungarian People's Army and head of the Military Censorship Department of the Hungarian People's Army command.

[Illes] What kind of censorship is employed in our homeland?

[Gomori] Following our liberation, censorship was abolished in Hungary. Previously the content of all products of mass communication had been censored according to political, religious and other considerations. Today we practice institutional censorship only in regard to protecting military secrets.

[Illes] Is this the same in every country?

[Gomori] Yes, everywhere there is an army. If a society has secrets, and which one does not, then the most valuable secrets are those that are connected with defense. Apart from this, in some countries there is political censorship. This is generally denied by even the dictatorships, through journalists' work is only interrupted brutally if acute situations threaten their existence. In our homeland the Constitution guarantees the freedom of press. Everybody has the right to express his opinion and writings by means of the press so long as these do not violate the constitutional order of the Hungarian People's Republic. Last year's press law helps to enforce this right, and this law is in accordance with the INTERNATIONAL Covenant on Civil and Political Rights.

[Illes] Is there any legal basis for the existence of military censors?

[Gomori] Yes, there is. The instructions of the government, the statutes of the Ministry of Interior that apply to the protection of secrets, and the

internal instructions of the minister of national defense regulate our work. According to these, all the products of mass communication--material in sound, picture or on film and video or in published form--which contain any military information connected with the defense of our homeland and our allies, or the West, must be shown to the military censors before publication, except when the author uses information that has already been published in the press.

[Illes] Yet the people's army is at present an "open" army. This is shown by the fact that we can talk about censorship today, while this would have been impossible even half a year ago.

[Gomori] The military leadership is aware of the importance of the press and considers its staff as its partners. We consider it important for the civilian population to know more about the life and combat readiness of the armed forces. We have a lot of problems that we can only solve together with the civilians. These problems include an education in patriotic and internationalist national defense and the physical preparations for military service. We might also mention dangerous social phenomena such as the joint struggle against alcoholism. It is necessary for us occasionally to give a public account of the money spent on us. The role of the military censor is increasing as a result of the increasing exchange of information, but this does not reduce the responsibility of the chief editor, the journalists, to protect secrets.

[Illes] Great secretiveness usually engenders mistrust, yet one cannot sit down at the negotiating table without having confidence. In the shadow of a universal conflagration, this is more necessary than ever.

[Gomori] This is indeed so. Confidence, "satisfactory security," can only be obtained if we do not mislead our negotiating partners, if we provide exact data on our military facilities and if we make on-site verification possible.

[Illes] Does this mean that the protection of secrets is an invention for journalists?

[Gomori] The range of military secrets is constantly changing. For instance, in the not too distant past we were tremendously protective about our facilities. Today we have nothing that has not been discussed in the press. The global trade in weapons has also made it unnecessary to be secretive.

[Illes] What then is secret?

[Gomori] The following things: The formation of the army, its territorial location, its supply, resupply, the details of its budget, devices under research, the operational principle of equipment systems, plans related to combat, and a lot of similar information. For the reconnaissance force, war begins in peacetime. In the event of an armed conflict, the enemy would need every piece of information, and that is why masses of equipment is being used to process, among other things, the cheapest source of information, the press. Day by day they are piecing together data on a particular country's armed forces like a mosaic. At the time we set up one of our training centers, for

instance, we observed that in 1 year it was possible to precisely determine its location and task from the press, because the army is an inseparable part of its civilian environment.

[Illes] As far as I know, we do not only protect military secrets.

[Gomori] The territory of the country is not merely a tourist attraction. This is why one required permission to take aerial photographs and to photograph certain objects.

[Illes] Why?

[Gomori] Photographs of civilian factories, plants, power stations, railway stations, and traffic junctions are perfectly suitable for the preparation of diversionary groups.

[Illes] These could, however, be photographed perfectly from satellites.

[Gomori] Pictures taken from satellites serve peaceful means, basically. The sputniks, the Landsats of the United States of America, and the French Spots prepare agricultural, meteorological, geological, and other pictures, which are, of course, also analyzed by the military. These pictures mainly show the changes of the earth and regions. In the case of military satellites, however, the statement is true, but such pictures are specially guided shots and very expensive. Therefore the method is used only in exceptional circumstances. Even then there is no guarantee that the pictures will be usable. One has to confirm the space intelligence information from other sources, such as from land-based agents. We are aware that the protection of some information is in vain, because it is obtained sooner or later, but it is not a matter of indifference when and at what cost. The censor's duty is to ensure that we, ourselves, do not provide information for a few pennies in the press.

[Illes] Does it cost us much to maintain this protection of secrets?

[Gomori] You cannot measure this in forints. If, however, you are thinking of how many of us are here, I can tell you that there are only a few professional military censors who are in contact with the central mass media. In the field, there are authorized censor officers in higher units who carry out this duty as a kind of "moonlighting" in addition to their other military duties.

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CSO: 2500/357

## OFFICIALS VISIT RIVER BARRAGE CONSTRUCTION

AU212006 Budapest NEPSZABADSAG in Hungarian 18 Apr 87 p 4

[Text] Deputy Premier Lajos Czinege; Construction and Urban Development Minister Laszlo Somogyi; State Secretary Kalman Abraham, chairman of the Environmental and Nature Protection Office of the National Assembly; and State Secretary Antal Kovacs, chairman of the National Water Affairs Office; together with their leading staff inspected the Bos-Nagymaros River Barrage System construction on both the Hungarian and the CSSR sides of the project on 17 April.

In the course of the working visit, the officials were given information about the situation of the construction project and reviewed the upcoming tasks. On the CSSR side the Hungarian officials were received in the Bos area by Slovak First Deputy Premier Julius Hanus, Forestry and Water Management Minister Vladimir Margetin, and their staff. Also present at the meeting was Bela Kovacs, Hungary's ambassador in Prague. At the meeting they reviewed the experiences gained on site.

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CSO, 2500/357

## RANKI'S BOOK REVISES VIEW OF HORTHY REGIME

Budapest MAGYAR HIRLAP in Hungarian 7 Jan 87 p 5

[Article by Janos Poto: "State and Society"]

[Text] It is a long-standing practice in academic institutions for a researcher to submit the results of his work to an in-house critique--before publication. That is, the new interpretations are critiqued within a narrow, professional circle which--in our over-specialized age--at any rate, provides a broader outlook on the subject in question.

A new book series titled Lectures at the Institute for History allows a wider audience to peer into this sort of academic workshop, into the historiographic workshop. From now on, the institute will regularly organize six lectures a year concerning fundamental national issues and questions of world history, new historical methods, etc.; the lectures as well as the substance of discussions following them will be published in the new series. The first volume in the series, titled State and Society in Central East Europe Between the Two World Wars written by Gyorgy Ranki was just published recently.

Gyorgy Ranki, in examining the relationship between the state and society, is dealing with a timely topic. This issue is particularly timely, as he writes in the introduction, "today since the state, in the majority of the countries, overwhelmingly weighs on society." And it is topical in Hungary, especially today, when the increasingly discussed process of democratization--formulated, on the one hand, either as the result of or, on the other hand, as a demand--is precisely the result of this relationship: when, to what extent, and on what topic will the state permit society to intervene in the direction of the country and of itself society?

As a starting point Gyorgy Ranki examines the theories of state central Eastern Europe inherited during the period between the two world wars. Classical liberalism--although it had lost increasingly more of its role remained, in actuality, the dominant viewpoint in government till the first world war--wanted to reduce the role of the state to a minimum in the life of society. At the same, time the marxist theory of the revolutions after the World War saw in the state only the ever present oppressive

organization of the ruling classes. Despite their fundamental differences the two viewpoints are identical in that, as Ranki says, "both view the economic role of the state as minor, both are inclined to counterpose the political state with society, and presume, so to speak, to discover classical development in the hegemony of society."

The war and revolutions established the absolute hegemony of the state over society. According to the tenets of liberalism it could be expected that with the conclusion of the war and revolutions the role of the state would necessarily decline just as it had grown as a consequence of these. However, in the beginning of the 1920's, the countries of the region were in radically changed circumstances, and this fundamentally determined the relation of state and society. Society itself had, in part, been transformed. Social problems within society multiplied with the growth of capitalism and the bourgeoisie and it increasingly seemed that they could be solved only by intervention, by some kind of administrative regulation. In addition, the state had also been transformed as a consequence of the creation of a whole series of new nation states in the region. And although it is true that the liberal principle of self-determination was dominant in their creation, it did not however play a role in their further development. The late development and the different traditions stemming from this predestined the region to the increased intervention of the state in the economy and the life of society--compared to the classical model. As Gyorgy Ranki writes, in these countries "for a variety of reasons, the nation does not create the state but rather, to a certain extent, it is the state that builds the modern nation."

The author then demonstrates the concrete manifestation of these trends through the histories of three countries in the 1920's: the Austrian Republic, Hungary, and Yugoslavia. In Austria, the framework of political democracy was already in existence; however, state limitations on it were also vigorously present. The political struggle of the social democrats and the christian democrats, in fact, strengthened the state bureaucracy, one of the foremost insurers of the hegemony of the state. Furthermore, in vain did the pressure of social democracy supported by society reduce the political weight of the state while simultaneously demanding its economic and welfare intervention into the life of society.

In Hungary, the Horthy government replaced two defeated revolutions. From the outset, this determined the primacy of the state power vis-a-vis society, since the aim was to reinstate the old social order. In accordance with this, writes Gyorgy Ranki, "the overwhelming majority of ideas...were drawn from the old authoritarian thinking, limiting liberalism".

Yugoslavia was created from multinational and -religious territories having different traditions, and the the state was the only truly common denominator in the new country. "Yugoslavia had to be created and ... this could only be the task of the state which was, in part, established from above and from the outside."

The formation i.e., the accommodation of the economies of the new countries or those forced to adapt to new conditions in new territories also

increasingly slipped into the hands of the state. As a result of the 1929-1933 international economic crisis the role of the state in the economy was strengthened or actually became determinant with the goal of "channeling the anarchy of the bankrupt market competition toward some kind of regulated economy." An identical path also beckoned as a solution to the societal problems accompanying the economic crisis. In the history of the 1930's two alternatives were devised to escape from the crisis: one was the Keynesian and Rooseveltian new direction, the welfare state, which although made government intervention a part of the official platform it did not simultaneously also imply the total subjugation of society. The other possibility--says Gyorgy Ranki completing his train of thought--is the modern totalitarian state "in which the autonomous sphere of activity of society is curtailed to a great extent or almost totally eliminated. The tragedy of the region was that in the 1930's all three countries headed towards the second alternative."

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CSO: 2500/176

## ETHIOPIAN FOREIGN MINISTER RECEIVED

LD070908 Warsaw PAP in English 0627 GMT 7 May 87

[Report on speech by Polish Foreign Minister Marian Orzechowski at 6 May meeting in Warsaw with Ethiopian Foreign Minister Berhanu Bayeh]

[Text] Warsaw, 6 May--While greeting Minister Berhanu Bayeh, the head of Polish diplomacy said that Poland and Ethiopia are linked by traditional ties of friendship. At the foot of our relations there has been ideology of Marxism-Leninism. Cooperation between our parties--guiding forces in the country and leading ones in society--develops favourably.

The peoples of Poland and Ethiopia are linked by the love of freedom and independence, determination to defend achievements of the working class. The Polish nation fully supports progressive transformations in Ethiopia and the cause of its unity and territorial integrity. We support Ethiopian revolution.

We highly assess progressive foreign policy of the socialist Ethiopia, its role in the non-aligned movement and in the Organization of African Unity. We are glad to see Ethiopia's growing prestige on the African continent and worldwide.

In the recent years, forces of imperialism did not spare us interference and pressure intended for destabilization of our states. We live up to these trials and experiences.

Both our countries make a major contribution to world-wide struggle for peace and security, for elimination of colonialism and apartheid, disarmament and building of just international relations. Just like you, we firmly condemn aggressive, racial policy of the RSA towards black population and towards the neighbouring countries, Orzechowski said.

While expressing satisfaction with the talks, Orzechowski pointed out that they were sincere and fruitful. We noted with satisfaction the identity and closeness of views on all bilateral and international issues discussed. We expressed willingness to develop cooperation in all domains, he said.



We expressed deep concern over extremely complicated situation in the world, threatening with perils, and over the adventurous policy of imperialist forces and their winding up the spiral of armaments, particularly nuclear ones. We were at one while stressing that it is a superior goal of contemporary times to protect mankind from nuclear annihilation, to put an end to costly armaments and to proceed to disarmament, to prevent militarization of outer space, to eliminate trouble spots and local conflicts, to consolidate principles of peaceful coexistence of countries with different socio-political systems.

Poland and Ethiopia fully support constructive disarmament proposals of the USSR and other countries of the socialist community.

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CSO: 2020/100

## DEFENSE MINISTER ADDRESSES MILITARY COUNCIL

AU070820 Warsaw ZOLNIERZ WOLNOSCI in Polish 4 May 87 pp 1, 5

[Major Longin Szczerba report: "A Program for the Future"]

[Text] The Council for Higher Military Education held another plenary session at the F. Dzerzhinskiy Military Political Academy under the chairmanship of Army General Florian Siwicki, PZPR Politburo member and minister of national defense.

In the most general terms, the session discussed the main lines of modifications to the curricula in the officers' higher schools and the determining factors and conditions of training highly qualified cadres to meet the needs of the armed forces.

As for military education, this is now an issue with special status and significance, one that has been tackled for quite some time now by a team of experienced military specialists, as Army General Wojciech Baranski, director of the Combat Training Main Directorate, stressed when discussing "The Main Lines of Modifications."

The analyses and general conclusions which were presented to the council and which are contained in the draft "Model System of Training Modern Commanders," take comprehensive account of the achievements of modern military pedagogy, the results of long scientific research, and the lessons of teaching practice to date. The draft in question was previously analyzed by the council and primarily by the military specialists concerned.

Modifications to the program have been made necessary primarily by the need to cope with the educational challenges of the 21st century, by scientific and technological progress, and by the introduction of increasingly complicated combat resources. These and many other reasons, as well as the realization of the increasingly complicated teaching activities, are especially important factors. It is also important to train young officers in commanding companies and in organizing and conducting educational and upbringing work.

What are the main lines of the reform of educational programs? What lines of education have been stressed by the analyses presented to the council?

What is primarily required of candidates to be modern soldiers is certain predispositions and qualifications, especially a suitable intellectual and cultural standard, a moral attitude, psychological prowess, and physical fitness. Only harmony among these qualities can guarantee effective and independent social and professional activities.

That is why the thesis about enriching general education and increasing the importance of general subjects occupies a special place in the proposals and solutions submitted to the council. The minister of national defense has often drawn attention to this issue, the last occasion having been the educational briefing of the leading military cadres in 1986.

Another task of the officers' schools is to combine professional training more closely with general education. Attention has been drawn to the fact that specialist military training calls for unceasing efforts to keep abreast of the development of military science and technology.

Another equally important issue is the integration of various aspects of training. This integration can and should be effected wherever pedagogical considerations favor it.

However, even the most perfect programs will be useless if they lack the necessary conditions for realization, that is, the internal and external determining factors of schooling. The skills of teaching and commanding cadres, the standards of the school infrastructure and organizations of the training process are a component part of the teaching and educating process that determines the training standards of graduates.

The session paid much attention to these issues, to the individual nature of training and self-instruction, to educational practices, and to the discipline of studies, pointing out the reasons for and the determining factors of these phenomena.

The concepts presented, specific solutions, and proposals presented were appraised in detail and discussed in a critical manner, which was understandable. The authors of the proposals had to answer many questions on initial examinations, graduation works, the organization of practical work in military units, and so on.

The minister of national defense drew attention to the ever growing requirements concerning the training of young officers for service in military units and to the determining factors in training commanders, educators, and highly skilled military specialists.

The reform of higher education was also discussed by vice minister of national defense, who described the issue against the background of the tasks facing education in general and of the tasks specified by the 24th plenum and the 10th PZPR Congress.

Summing up the discussion, F. Siwicki drew attention to the status and significance of the proposed solutions and appraised the many proposals submitted

to the session. He stressed, among other things, that the comprehensive education of a young officer who is trained to independently solve complicated training and upbringing tasks is an especially important commitment, one demanded by scientific and technological progress, the needs of the modern socialist army, and the constant necessity to strengthen the country's defense.

F. Siwicki also drew attention to the role of the warrant officers' corps, whose importance consistently increases, and appraised selected issues of cadre policy, improvements in the qualifications of academic instructors, and the recruitment of candidates for military vocational education.

/8309

CSO: 2600/605

## WW II COMMUNIST RESISTANCE HONORED AT RALLY

LD162111 Warsaw PAP in English 1738 GMT 16 May 87

[Text] Warsaw, 16 May--Forty-five years are passing since the day when the first GL (People's Guard) unit, named after Polish historical hero Stefan Czarniecki and commanded by Franciszek Zubrzycki alias "Maly Franek" (Little Frank) marched off into the forests of the Piotrkow region in central Poland. This way materialized the decision of the Polish Worker's Party (PPR) to start armed struggle against the Nazi invader, the decision which was difficult and taken with almost no trained troops available, no financial sources and sufficient arms at hand. The first battle took place on 10 June, 1942, near the village of Polichno in the Piotrkow region, where a monument has been erected in tribute to the GL and AL (People's Army) military effort.

On the anniversary of the march-off at Maly Franek's partisan troops, local people together with provincial authorities, war veterans, former commanders of the GL and AL, PPR activists, and delegations from work establishments, held a patriotic rally at Polichno today.

"Today we are paying homage and commemorating those sons of our nation who marked with blood and courage the road to the free, socialist fatherland," said PUWP CC Secretary Henryk Bednarski. "Among the many decisions by chief conspiracy centres in the occupied country, the 1942 decision by the PPR to take up partisan struggle was one of the most significant ones," he said.

"Those who fought here and perished on the Piotrkow soil have left their testament--their message to the new, upcoming generations. It obligates us to defend, enrich, and develop all they had fought for and in whose name they died. The free, socialist Poland, living in the name of peace, is the most important essence of their testament," Bednarski said.

"Over 40 years of peace in Europe is the greatest value brought about by the sacrifice of their lives. Mindful of the price paid by our nation and mankind, we should guard this value as firmly as we can," the PUWP CC Secretary stressed.

/9274

CSO: 2020/100

## 'CENTRAL EUROPE' THESIS REVIEWED, PROMOTES TIES TO USSR

Warsaw POLITYKA in Polish No 1, 3 Jan 87 pp 12, 13

[Article by Adam Krzeminski: Spiderweb In the Middle of Europe"]

[Text] Are we or are we not? -- We, the inhabitants of Central Europe, we Central Europeans. Our continent is tangibly divided politically, economically and militarily into two parts. In the East, there are "we" Poles, Czechs, Hungarians, Russians and Germans from the GDR [German Democratic Republic], etc. and "they", the French, English, Americans, Germans from the FRG [Federal Republic of Germany], etc. live in the West. Between "us" and "them" there is no middle ground nor is that position taken by Austria who remind us more of "them" than of ourselves.

However, Central Europe is not dead and buried because it continues to live in polemics and dreams, in debates and legends. Lately, the subject of "Mitteleuropa" has again become loudly discussed as a pitfall and opportunity for those that live in the center of our continent and on both sides of its dividing line.

It has been said that the "European era" in world affairs went out with the end of World War II. Geoffrey Barraclough wrote this in his "Introduction to Modern History" and was joined by our own writers that had for years been warning us against the supposedly excessive "Eurocentrism" of Poles. Indeed, it is more and more often said around the world that the "era of the Pacific" is coming. This ocean directly borders the Soviet Union, United States, Japan and China and it is said that because one finds there the greatest degree of economic growth and technological progress, that is where the future of the world now lies. That is where Eurasia meets America. But what about us?

Ever since the two world powers defeated Hitler's "middle state" with (and only with) the help of the Europeans themselves and the Nazi "Fortress Europa" fell, there have been 40 years of uneasy peace under the shadow of nuclear weapons and armed intervention and the traditional European powers such as England and France have lost much of their influence around the world. The Americans and Russian face each other not only across the Bering Strait but

also here across the Elbe. Across our continent, they have set up a barrier against each other. And now what? Is that our good fortune or a catastrophe? Are we Europeans divided by an "iron curtain" or do we nonetheless still live in a "common European home" with the "Europeanization of Europe" within hand's reach?

The image is neither as simple or as symmetrical as it might seem. Just what is Europe, this peninsula with craggy coastlines and who belongs to Europe? Are Europeans only the people that have inherited the ancient traditions of Greece and Rome, Judeo-Christian morality, the Renaissance, the Enlightenment and the Industrial Revolution with the beginnings of the worker's movement? Is that too narrow a definition when European history also includes the Moors in Spain, the Turks in the Balkans and the 300 years of the Mongol Khans in Russia? On our continent which lies open to the East and tapers off into the West, there is a mixture of the most diverse civilizations and cultures. It is only on the political map that Europe is clearly divided into states and politico-military blocks. In all reality, Europe reminds one of light broken a spectrum as it passes through a prism. The colors change from violet to red, one gradually passing into the other. Can we deny the European roots of cities like Boston in North America or Tobolsk in Siberia?

Europe's geopolitical position is not symmetrical. Of the two world powers that have placed a nuclear umbrella over Europe, one of them, the Soviet Union, is part of Europe while the other, the United States is, despite its great ethnic and cultural ties to Europe, is separated from her by the "big water". While the United States has gained a political presence in Europe only in recent times, Russia's presence in European affairs has been hard to deny ever since the Byzantine era. In spite of all of Dostoyevsky's reluctance toward Europe, Russian has had a great literary influence on Western Europe. And Russia's political influence? Both Peter the Great and Lenin were Europeans and ever since the 18th century, Russian soldiers have come to know Europe well. Suvorov not only defeated our Confederation of Bar and fought Kosciuszko but also crossed the Alps. Cossacks have fought Frederick II in Berlin and Napoleon in Paris. Europe today is bordered by the Atlantic Ocean and Europe but where is its center? Does a divided continent have a center?

#### Fascination and Strangeness

There has already been much debate on the subject of Central Europe in the last few decades. Recently, an emigre Czech writer, Milan Kundera, entered the debate when in April 1984 he published a large essay, "The Tragedy of Europe", in the American weekly, THE NEW YORK REVIEW OF BOOKS. This essay was reprinted immediately in France and West Germany. Kundera wrote about Czechoslovakia, Hungary and Poland, the drama of which, in his opinion, lies in the fact that "culturally, they are part of the West while politically, they remain part of the East". However, the real tragedy lies in the fact that the West has not even perceived this postwar development as a loss of its

substance because it never gave much thought to the countries between Germany and Russia.

Kundera goes on to state that it is these countries that are the very model of Europe in its diversity: "Central Europe wanted to be the quintessence of Europe in its cultural diversity, a small arch-Europe and a Europe in a reduced scale, consisting of many nations and organized according to the principle of the greatest diversity in the smallest area". However, in Kundera's opinion, that Central European love of diversity has always been something alien to Russia. Indeed, Kundera points out the fascination for Russian felt especially by Czech intellectuals but also tries to show the differences.

"I do not know whether that world is worse than ours. Russia has a different and greater measure of misfortune, other notions of space (so great that they encompass entire nations), another concept of time (slowness and patience) and another type of laughter, life and death". Therefore, Kundera interprets all of the postwar upheavals in our country as the defense of our "westernness". Then, turning to the "slavophile" traditions of Czech thought at the turn of the century, Kundera sympathetically recalls the Hapsburg monarchy: "The Austrian Empire had a great opportunity to form Central Europe into a strong, united state but the Austrians themselves were too torn between pangermanic nationalism and their Central European mission. They did not succeed in forming a federation of equal nations and their failure was a misfortune for all of Europe". I do not think that many Czechs, Slovaks or Poles would have signed their name to such words in 1918.

Therefore, for Kundera, Central Europe has been confined to the dimensions of "an undefined strip of small nations between Germany and Russia" whose existence has more than once been called into question: "The Frenchman, Russian or Englishman will not question the possibility that his nation will survive. Their national anthems all speak of the greatness and eternal being of their nations while the Polish national anthem begins with the words 'Poland has still not perished'". In the opinion of this Czech emigrant, the Central European nations are not only conquerors but above all constitute a specific culture which includes Bela Bartok, Kafka, Haszek, Musil, Broch and from Poland, Gombrowicz, Schulz and Witkacy. This "separate cultural structure" was not confined to just one state but was the common fate of all of these nations and consisted of the Czech Hussites, the Hungarian Renaissance, the Polish Reformation the Renaissance setting of the Laskis, Frycz Modrzewski and Kochanowski. Furthermore, all of us had the Baroque which was much the same from Salzburg to Vilno. And finally there are the Jews who in Kundera's opinion were "the joining link, the essence of the Central European spirit and the creators of spiritual unity". Kundera concludes that without the Jews, there would be no "integrating element" in Central Europe.



## Program of Mutual Acceptance

Milan Kundera's essay has found its echo among neoconservatives on both sides of the Atlantic because it confirms their black-and-white view of the East and West and, aside from self-pity for those "between the Germans and Russians", proposes nothing new aside from missing the Hapsburgs.

Meanwhile, a more creative voice can be found in a Hungarian who resides in Budapest and publishes his works chiefly in the West. A fragment from Gyorgy Konrad's "Dream of Central Europe" read in May 1984 has now become most often quoted in Vienna and West Berlin whenever Central Europe is discussed.

For Konrad, Central Europe is not the nations "between Russia and Germany" but "the philosophy of a paradoxical center" because "we are a project, a literary alliance, a literary knight's order. We are the record-holders for ambiguity and professional problem producers". At the same time, Central Europe "extends beyond the borders of military blocks". For centuries, our task has been not only to separate the East from West but also to join both halves of the world. "Being a Central European is an attitude, a philosophy and an esthetic sensitivity to the complicated and to a multilingual way of looking at the world. There does exist something like a Central European Tao". If we succeed in solving the problems of Central Europe, we will have found a way to save the whole continent.

However, that is mere words since the essence of our problem is Germany. "Central Europe also includes the Germans who have tried in vain a few times to conquer their neighboring countries. This mania for greatness on the part of the German Reich is why there is now no Central Europe and why the contacts between our nations are undoubtedly worse than 100 years ago. Being a Central European means being able to train and restrain our nationalisms and national egotisms even if we cannot free ourselves of them entirely, just like a human being cannot entirely renounce his or her own egotism but can at least control it. The Central European nation that contributes most to harmony and friendship between neighbors does the most to bring about integration and is therefore the most Central European nation among us".

Konrad continues to say that Central Europe does not have any clear borders and no one really knows where it begins and ends. Central Europe is the western edge of the East or the eastern edge of the West. From Berlin to Rome and Warsaw to Athens, Central European cities are hopelessly provincial and burdened with local problems and prejudices. "If we accepted each other as a region, as Central Europe and as a constellation of cities, we would be worthy of the world's interest. We would have something of interest to say to other countries. It is impossible for us to become part of the international conversation as long as we do not accept our own neighbors. Whether we like it or not, we can only count for something as long as we stand together. It is terrible how poorly we understand the languages of our neighbors. We have lost our common language of German because of what the Germans did. We must

therefore learn the languages of our neighbors if we are to give a future to the idea of a Central European culture".

As opposed to Kundera, Konrad does not talk about any tragedy of Central Europe and that is perhaps because he is not an emigrant who wanders between two worlds trying to reconcile himself to both: "the present state of the eastern part of Central Europe does not seem to me to be something tragic and I do not at all see us as innocent victims. We continue to be citizens of where we live..."

For Hungarians, the basis of hope for Central Europe is mutual contacts, a knowledge of each other's culture and evolution.

### Rock and Aggregate

It is no coincidence that the two cities of Vienna and West Berlin have taken up the debate on Central Europe and organized symposia under the patronage of the city governments. What do the Austrians and the divided German nations have in common with the the gravediggers of ancient Europe? Is the present debate on "Mitteleuropa" just the latest edition of the old longing for hegemony or present-day hopes for unity or is it rather a return to a sense of community among the many in the style of the old medieval German Reich, a loose confederation of many states, rather weak militarily but great in spirit and civilization?

Observers distrust both concepts and with good reason for as early as 1915, the liberal nationalist Friedrich Naumann published a book titled "Mitteleuropa" in which he proposed for Europe a federal economic union under German leadership since up to then, Europe has always been governed from West to East as by Napoleon or from East to West as by Russia which was the chief director of the Congress of Vienna in 1915. At that time, Central Europe "was just 'aggregate'", wrote Naumann in the second year of World War I "but before our very eyes, has now become a monolith". Indeed! In 1932 in his book "Middle Europe", Giselher Wirsing presented the problem in much the same way in his description of the economies of Germany and the states that came into being after 1918. However, one can see how that turned out in practice in the example of "fortress Europa" as Goering referred to the lands occupied by the Wehrmacht. This fortress had two capitals, Berlin which was to become the future world capital decorated with monumental buildings, and Auschwitz in which millions of Central European people met their fate. That is why it is hard today for today's Germans to refer to the concept of "Mitteleuropa".

And that is exactly how Rolf Schneider, a short-story writer living in the GDR and often published in the West just like Konrad, reacted to the idea. He refused to take part in a Vienna symposium on "Central Europe as a shared fatherland" which was held in June of this year and his refusal was published in the West Berlin anarcho-ecological weekly DIE TAGESZEITUNG: "My first argument is that Central Europe as a fatherland is, as an historical fact, just as insubstantial as raspberry pudding. The concept naturally includes

the term of 'center' which insinuates the 'golden mean'. One is also tempted to think of little words like mediation and intervention. Words like 'mediocrity' snicker and want to be forgotten quickly".

Schneider of the GDR has no faith in any intellectual constructions that make only the briefest mention of the states that partitioned Poland in the 18th century and then as the "central states" conducted World War I on Polish soil. The shadow of "Mitteleuropa" that would fall over the 6 states of the German Federal Republic, the German Democratic Republic, Austria, Poland, Hungary and Czechoslovakia reminds him of Reagan's strategy: "One neutral state playing a small role in international politics and one NATO member made up of four Warsaw Pact states. Would I be too mistaken if I saw here not coincidence but design? This is the spirit of Richard Perl, President Reagan's especially radical hawk and advisor".

He later polemicizes with Konrad who in one of his articles wrote that the condition for lasting peace in Europe is the overthrow of the Yalta Agreements, the creation of a United States of Europe and the withdrawal of foreign troops from all European nations.

Rolf Schneider writes: "For us Germans, the rebellion against Yalta would be a rebellion against the capitulation of 8 May 1945, against the Nuremberg War Crimes Trials and against the fact that the victory of the anti-Nazi coalition was a humanitarian act of worldwide significance". He then continues in an ironic vein: "What do the Hungarians have to offer? -- Admiral Horthy with his crusaders? Hungary freed herself from him thanks to the Yalta Agreement which "was brought about by our nations too and constitutes the foundation of our existence" and a framework which every nation fills in its own way: "30 years after Imre Nagy and Pal Maleter we can finally say that Hungary's most recent history is a select example of how this framework decried as shackles can gain very stretched dimensions. But to mix Central Europe up with some sort of new inner-European morality would in essence be a shoddy withdrawal from the elementary conflicts of our epoch which will not disappear simply because we turn our backs on them".

For Rolf Schneider, the idea that there existed some sort of intermediate zone between the Roman West and the Slavic East and between the German North and the Latin South "is nonsense". It is enough to look at the fate of Germany during the Thirty Years' War or that of Poland during the partitions. If the borders of Central Europe became fluid, that would cause anguish to the border countries.

#### A Tempting Risk

The debate over "Mitteleuropa" was very quickly taken up by the West German social democrats who made it part of their eastern policy and their concept of the need for a "second phase of detente". The SPD [Social Democratic party of Germany] monthly DIE NEUE GESELLSCHAFT/FRANKFURTER HEFTE dedicated its July issue to Central Europe and reprinted a fragment of Friedrich Naumann's book,

Gyorgy Konrad's essay on Yalta and several essays of leading social democratic politicians such as Peter Glotz or West Berlin's mayor, Dietrich Stobbe. The social democrats' concept is that "Central Europe should stand against the opposition between East and West and act as conciliatory intermediary".

This notion aroused a sharp response from the Christian Democrats. For several weeks, there has been a lively discussion on the subject of our "center" on the pages of the Christian weekly, RHEINISCHER MERKUR/CHRIST UND WELT (at one time, Adenauer's chief press organ). The Christian Democrats have sharply criticized a book released a few months ago by a young West Berlin Slavic expert, Karl Schloegel, titled "The Center Is Leaning Toward the East" and which warned against depreciation of Yalta and urged readers to rediscover the cultural landscape of Hungary, Poland, Czechoslovakia and Northern Italy. Schloegel removes the Germans somewhat from the West and calls the Germans "Central Europeans par excellence".

Alexander Schwan, the West Berlin political scientist, then criticized in the Christian Democratic RHEINISCHER MERKUR the restoration of concepts which suggest the creation of a "new consensus between East and West".

"Such ideas are an illusion and are dangerous because one of our great political parties has fallen increasingly under their sway. Would any of the Poles, Hungarians, or Czechoslovakians wish to follow such a strategy under German guidance?

"Poles, Czechoslovakians and Hungarians want freedom but not at all under far-flung German stipulations of neutrality. They would only feel safe with a close connection to Western Europe and to the West in general". Continuing, he writes: "This tempting invocation of Central Europe cannot arouse any interest in the people of the Central and Eastern European states and the GDR who want greater freedom...It can not only interest the communist governments, as long as this gilding serves to tempt Germans to irritate Western Europe and jeopardize Western European and Atlantic cooperation".

#### Thousands of Small Changes

For now, let us dispense with the "Polish thread" of the entire debate on Central Europe because it requires its own separate discussion. For now, let us look at how this idea is defended by Peter Bender, the West Berlin writer, who has for many years followed the eastern policy of the social democrats and is also a man who well knows Poland, the GDR and world politics. In an long and extensive Norddeutscher Rundfunk broadcast of last summer, Peter Bender said: "A middle Europe more exposed to the East-West confrontation and restrictions than the rest of the continent extends from the Far North to the Deep South. There is great interest in detente but little strength in support of it. These are mostly weak and small countries and most of them are restrained by their alliances. The strongest of them, the German Federal Republic must, as a German state, proceed with special caution".

Bender continues to say that all must avoid independent actions. The Bonn eastern policy will function only as long as Moscow takes the place of honor in it. In much the same way, Poland or Hungary's contacts with the West will develop all the better that they extend themselves to the Benelux countries, Rome or Paris, however, the need to maintain contacts beyond the great border is strongest among the Central Europeans because they have so many common interests that it would be very uneconomical to leave them alone.

"If we make ourselves aware of this community of interests, then much would be achieved by making Central Europe the leading motive for our actions. This does not at all mean that any country would have to leave NATO or the European Economic Community as long as Bonn is aware that it has allies outside of NATO. With regard to the unity of the continent, Central Europeans are closer to Bonn than the Western Europeans and in many of the issues between the East and West, Bonn has more in common with Budapest or Stockholm than with Paris or London.

"However, the greatest opportunities can be found in small policies. Anyone who compares today's Central Europe with that of 20 years ago will see great changes. There has emerged a network of economic, technical, political, cultural and especially interpersonal bonds whose preservation is essential to participants on both sides. The communist governments have recognized and conformed their actions to this for a long time, partially from the demands of their own internal policies and partially out of their own convictions. Beyond the East-West border, nowhere in Europe can one find such strong and diverse contacts in spite of the frequent obstructions. How far such contacts have led can be seen in the case of Hungary that 20 years ago wished to make its relations with Austria a model of 'peaceful coexistence'. Since then, these relations have gone even further and achieved a state of normal relations between two nations under types of regimes. Austria and Hungary have the same relations as other states in Western Europe.

"If Central Europe can become a model, it will be according to that pattern set by Vienna and Budapest. Not much needs to be said but something must be done. It is not a matter of putting on a display but of keeping in mind just what is possible to achieve as well as reaching a little for the impossible. We must act slowly but achieve something concrete. We must trust our experience that real change is sometimes brought about nearly imperceptibly through thousands of small changes.

"Moscow and Washington must now consider the fact that the countries on the borders between the alliances are dependent on one another. That is a success that is little known and considered and one which demonstrates that Central Europe already exists and even more so, should exist as the element linking the two halves of a divided continent. Europe has been divided from both ends but if it is to again grow, it will be from the center".

To clarify what he had said in his interview with ZYCIE WARSZAWY in Jablonno, Peter Bender said: "I think it would be a mistake to assume that the

unification of Germany is necessary to bring the other European countries closer. I would say that the opposite is true -- if the 'europeanization' of Europe is to continue and the costly military presence of the United States and the Soviet Union is to be reduced or eliminated, then it is necessary for Germany to remain divided. Most or all of the other Europeans would only agree to a reduction in the role of the great powers if they knew that Germany were to remain divided and that German military potential would never become a threat to anyone. Therefore, for me, the 'europeanization of Europe' requires the continued division of Germany".

#### Different Dimensions

There are not many such outspoken writers in the West Germany press and some of the Christian Democrats presently in that country's government not only call out for unification but also claim that Germany's 1937 borders are still valid. Even if such claims are made for purely political reasons, the subject still forms a background for discussion of the future Europe. In addition, some American politicians worry that Germany is "drifting" toward the East, that West Germany's ties to the United States are weakening and neutralist tendencies are gaining the upper hand in that country. As the present American ambassador in Bonn recently said, they therefore try to make Germans feel greater "security" and "national pride" within NATO. This "tempting" of the Germans to stand against the East and the "europeanization of Europe" has been echoed in the revisionist debate by West German Christian Democrat historians on Nazi war crimes and their increasing references to such events of European history as the Turkish massacre of Armenians after World War I, the Stalinist Purges and the liquidation of kulaks.

The debate over "Central Europe" also has two sides in the Federal Republic of Germany. On the one hand and as our mass media has already pointed out, the shade of "Mitteleuropa" is used to reawaken old dreams about German hegemony and to "push" the Russians out of Europe and these ideas are also discussed by emigrants from our part of the continent and the German right wing. On the other hand, the "debate over Central Europe" in the books and articles of Peter Bender, Guenter Gaus, Peter Glotz and other social democrats is only a small part of the creation of trust in Europe at the junction of the two blocks by means of cooperation between all countries. This program not only weakens alliances and German reunification by indirect means but the "europeanization of Europe" also brings closer both halves of a divided Europe in cooperation and a feeling of security under the existing structures and treaties.

After all, this sense of "europeanization" has been obvious in Polish foreign policy since the time of Adam Rapacki, the policy of openness in Edward Gierek's time and Poland's foreign policy in the 1980's. It is no coincidence that Wojciech Jaruzelski refers to the concept of the "europeanization of Europe" and has proposed the preparation of a report on the state of Europe and the organization of a European congress in 1989 to mark the 60th anniversary of the outbreak of World War II.

In Europe, no one can any longer allow diplomatic, political, economic, cultural and social inertia. This has been proven by the revitalized relations between Washington and Moscow regardless of whatever difficulties they have experienced. The cards are being dealt for the next few decades and every country, weak or strong, one must find its own place in the community of nations. There is no sign of any great upheavals or radical change of alliances and the future rests with slow but profound changes. In the long run, the Europe of the future will be built not by complexes, resentment, self-isolation and suspicion but by a correct understanding of ones opportunities, by activity and by the ability to cooperate with ones near and distant neighbors.

This discussion cannot be complete without our own participation. Many of us now feel that the dispute over "the center of Europe" is just a smokescreen for German revisionism and that we cannot take part but must take a stand against it. At the same time, no one can win the debate over Central Europe because it consists of nothing more than hypotheses and dreams but by participating in it, we can at least influence the directions it takes.

We cannot forget that everyone is now trying to find a place for themselves in the 21st century and seeking new forms of cooperation within and beyond the existing structures. If someone sees only one dimension of the debate over Central Europe, let him read the book "Dialogue of Differences" published in Austria in 1985. This is a record of the discussions between official representatives of the GDR (Culture Minister Hans Joachim Hoffmann), Hungary (Culture Minister Bela Kopaczi), Austria (Former Chancellor Fred Sinowatz) and West Germany (Peter Glotz, member of the SPD directorate). A fragment of this discussion was published in Poland by FORUM. Our absence from these discussions contributes nothing but prevents us from working with our neighbors to build the future.

We must correctly and in an unbiased fashion keep up with the intellectual movement in Central Europe because we must recover the role we once had within it. It is no coincidence that the Austrian and Italian journal MITTELEUROPA was first published in Austria and that in Vienna there has appeared the international magazine, PANNONIA, which is edited by Austrians, Hungarians, Germans from the GDR, FRG and West Berlin, Russians, Bulgarians, Yugoslavs and Poles. However, Polish participation in PANNONIA is less than marginal while the Hungarians, heedful of their image in Central Europe, have taken the forefront of activity.

If in Poland, the recent trend for the "europeanization of Europe" is to mean more the just a few press headlines, we must take steps to assure our return to the intellectual traffic of Europe by also participating in discussions of the future and by underscoring the unchanging foundations of Polish security:

- that peace in Europe requires the existence of two German states;
- that the Soviet Union is the bulwark of security in Central Europe;

-- and that Poland's internal strength and good relations with the Soviet Union provide political and economic stability to the entire region.

It is necessary to repeat these points but it is neither good policy nor a good understanding of the future to limit ourselves to them alone. The weak and small countries (and we are a weak country today) must be active. Poland also needs a good sense of imagination.

12261

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## 'BLANK SPOTS' IN HISTORY OF RELATIONS WITH SOVIETS

Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 27 Apr 87 p 12

[Article by Stefan Dietrich: "Friendship and Sincerity--Blank Spots in Soviet and Polish Historiography"]

[Text] Warsaw, in April--The "unshakable friendship" between the People's Republic of Poland and the Soviet Union just recently marked its 42nd anniversary. This is how long it has taken the official representatives of this friendship solemnly to arrive at the insight that true friendship also requires sincerity. The "protocol on cooperation in the area of ideology, science and culture," signed by Gorbachev and Jaruzelski in Moscow, takes note of the fact that there are "white spots" in official historiography. It would be closer to the truth to speak of "dark spots" because first of all the historical events under discussion have all been researched and secondly, white is not really the color of shame.

It has not been forgotten in Poland that Stalin liquidated the Polish Communist Party in 1938 (physically, too) because it did not fit into his plans for an alliance from an ideological point of view. Nor has the Hitler-Stalin Pact been forgotten the most important provision of which--the division of Poland into a Soviet and a National Socialist zone of occupation--is still being officially denied today. And finally, the Katyn massacre and the deportation of hundreds of thousands of Poles in the Soviet occupied areas has not been forgotten either. For the time being, all these events are still being euphemistically described as "white spots."

In time no doubt, the historians who have now received official party orders to provide an "objective and precise interpretation of history from a Marxist-Leninist point of view" will rid the present communist rulers of a hypocritical view of life which has outlived its usefulness. But they will be unable to render satisfaction for the many humiliations to which Polish national pride has been subjected--the more so if the new openness is perpetually accompanied by protestations of cordial understanding.

How meaningful can this entire exercise be, if the Soviet Union hermetically seals off its borders with Poland for fear of contamination with free Western democratic thought? During the past year, five times as many Poles (i.e. 400,000) visited the FRG than the Soviet Union. During the same time period, a

mere 32,000 carefully selected Russians were given the privilege of visiting "the free West" of the East Bloc. That should now improve. But the damage caused to the Polish-Russian relationship by the communists in particular will not be undone for a long time. If one mentions the word "friendship" to a Pole, he will immediately change it to "brotherhood," offering the following explanation for doing so: "The difference between the two is that one can choose one's friends." The ceremonial renewal of the brotherly alliance by Jaruzelski and Gorbachev was no accident. Indeed, it marks the official recognition of intensified cooperation between the two nations in a variety of areas over the past year. In 1986 alone, a total of more than 20 government-to-government agreements were signed by the Soviet Union and Poland on economic, cultural and scientific exchanges as well as travel. Since cooperation in all these areas is nothing new, it can only mean that there was a great need to establish equality in the existing relationship. Thus, a Polish cultural institute will soon open in Moscow to match the Soviet institute in Warsaw. For months, an unprecedented propaganda campaign has been under way to publicize the fact that more than 100 scientific institutes and economic enterprises in both countries have been engaged in direct exchange programs and that three joint Polish-Soviet ventures have been activated thanks to a change in legal provisions. But proletarian internationalism still has a long way to go to match the matter-of-factness of exchanges among the nations of the West.

In February, Jaruzelski said it was a great satisfaction and a great opportunity for the Soviet Union to have expressed an interest in a strong, modern and secure Poland and that it was doing so at a time of complete agreement on internal and foreign policy goals. "There has never been such a fortuitous agreement in the 1,000 years of Polish history," Jaruzelski noted exuberantly. Some of his compatriots may have gnashed their teeth at the time. But from his own point of view, the Polish party chief was close enough to the truth. The PZPR leadership is under great pressure to reform. If the "small stabilization program," which was hard enough to work out, does not work, the party will be faced with a renewed outbreak of popular unrest in 5 years at most. The fresh winds of reforms coming from the east are just what the doctor ordered as far as Jaruzelski is concerned. Although the just announced second stage of the Polish economic reform program goes far beyond the "revolutionary" restructuring program of the Soviet system announced by Gorbachev last January, no one has tried to stay Jaruzelski's hand up to now. To be sure, these major restructuring programs both in Warsaw and in Moscow are just on paper thus far.

9478

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## REPORTER ON PRAVDA ANNIVERSARY FUNCTION

AU121425 Warsaw TRYBUNA LUDU in Polish 7 May 87 p 6

[Report by permanent correspondent Jerzy Kraszewski: "PRAVDA in its 76th Year--The Past and Today"]

[Text] Moscow--A meeting of chief editors of party newspapers of the socialist countries concluded celebrations to mark the 75th anniversary of PRAVDA. On reflection it could be said that this meeting was symbolic in its character, and this reflection is prompted by the fact that the international meeting of chief editors of the communist and democratic press on 3-4 May coincided with the PRAVDA jubilee.

The meeting was a symbol because the jubilee enabled progressive journalists from over 100 countries to exchange views on the most burning national and international issues. Discussions were candid and open. The positions presented in them were not always identical in details, but expressed agreement on the question of peace, disarmament, rescuing the world from annihilation, social progress, and strengthening the influence of socialism. Support for and solidarity with the Soviet disarmament program, the USSR's peace offensive, and the 27th CPSU Congress' policy of accelerated development and reconstruction was expressed. This vote was representative because 115 representatives of the communist and democratic press from all continents came to Moscow for the PRAVDA jubilee.

Of course, it is not symbols that are at stake. The two international meetings, the bilateral and multilateral talks at the Tuesday function in the Trade Unions House attended by Mikhail Gorbachev and the CPSU highest authorities, and the speech made by Viktor Afanasyev stressed the problems of the present and future.

The past, including PRAVDA's rich history, served as a point of departure when formulating answers to the questions of what lessons history has given to the present times and generations, what more should be done and how, what is to be done to strengthen socialism and its influence, what duties progressive journalism has to fulfill in the struggle to preserve peace, and how to consolidate better and more effectively the forces of progress around our ideas.

The present mood dominating the CPSU and the country determined this kind of celebration of PRAVDA's 75th anniversary--a less solemn and festive but more down-to-earth and concrete celebration. The thing is to stick to reality, look the future in the face, clearly formulate goals, and be aware of the scale and complicated character of tasks requiring solutions. Speaking in the Hall of Columns of the Trade Union House, the chief editor of PRAVDA referred primarily to the present times and to PRAVDA's share in reconstruction, not avoiding, although the jubilee might have induced him to do so, difficult problems and obstacles that must be overcome.

I have before me two PRAVDA issues opening the 76th year of its existence. The 5 May issue carries a photocopy of the first ever issue of the daily printed in Saint Petersburg. The front page carries the banner "The Workers' Daily" and all the four pages carry reports on the acute problems of those days. On 6 May PRAVDA published an editorial on the collective guarantee of discipline (commentary on the recent CPSU Central Committee resolution), reports on M. Gorbachev's meeting with G. Marchais, intervening articles, the new rubric "The Housing Problem Under PRAVDA's Control," and a report entitled "Party Life--What Is Behind Conflicts?" These articles are sharp at times, search for answers to urgent questions--as was the case with discussions with foreign guests--and formulate proposals.

This was so 75 years ago, and this is so now under new conditions. PRAVDA has always been at the forefront, and being at the forefront makes it necessary to actively go hand in hand with the present times, to change them, and to look the future in the face....

Chief editors of the party dailies in the socialist countries continued this tradition.

Jerzy Majka reported on TRYBUNA LUDU plans, recalling Poles' share in the revolution, which is one of the many historical proofs of how deep the roots of the socialist idea are in Poland. He also spoke of the experience of our daily in spreading knowledge about reconstruction and changes in the USSR and of the sympathy these changes enjoy among the Polish people.

The PRAVDA meeting did not pass any resolution or any other final document just as the international meeting of the communist and democratic press did not. But it did give participants a chance to mutually enrich their knowledge of common matters and to get to know and understand them better.

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## OPZZ COMMITTEE ON PRICE INCREASES, INTERNAL STRUCTURE

Warsaw TRYBUNA LUDU in Polish 9 Jan 87 pp 1,2

[Unattributed article: "Meeting of the Executive Committee of the All-Polish Convention of Trade Unions"]

[Text] The Thursday meeting of the Executive Committee of the All-Polish Convention of Trade Unions, chaired by Alfred Miodowicz, was dominated by one topic--the price increases for variety meats and milk products.

It caused numerous interventions by union organizations and the Convention reacted to it with a letter to the premier asking the government to take action to avoid drastic price increases.

The unionists were not satisfied with the explanation of Wojciech Prus, deputy minister of finance, who participated in the meeting. He was asked for example what is the legal basis for the decision that allowed enterprises to introduce new prices, what is the scale of the increases, and what was their effect on the lowest group of wage earners? Why were the trade unions not told of this fact earlier and how, given this fact, should they react to the uncontrolled price increases?

The motions made and opinions stated were reflected in the final resolution that states, among other things, that while the trade unions support the economic reform and the necessary departure from subsidies it cannot be done at cost of the workers' living standards, especially the poorest group.

Thus, the Executive Committee opposed the high price increases imposed by some directors of economic units in a bureaucratic and voluntary manner.

The Committee thinks that immediate action by the government to block the willful prices is essential. The trade unions are against so-called intermediate price structures and demand that price increases for basic food products be established in consultation with the union organizations as stated in the trade union law.

Elaborating this position, the Executive Committee applied to the chairman of the Council of Ministers to draw the appropriate conclusions to avoid situations that unnecessarily irritate society and to the government to

present the trade unions with a list of proposed actions for the current year to protect the weakest economic groups in society. It appealed to all union organizations, plant and national, to pay particular attention to contract prices in their areas.

The meeting of the Executive Committee of the Convention with the government during the first quarter was also announced. The talks are to cover methods for implementing the resolution and decisions of the union congress and protecting the people's living standard has been made the prime subject.

Then Jerzy Uzieblo announced that on 28-29 March 1987 the Bureau of the World Federation of Trade-Unions, including 37 foreign delegations and representatives of three international union organizations will meet in Warsaw.

The work of the problem commission of the All-Polish Convention of Trade Unions and the election of its chairman also provoked discussion. The Council of the Convention will take up these and other internal organizational issues at its next meeting.

A number of other motions were also made, including extending the term of the Council of the Workers' Vacation Fund, the nomination of candidates for the Supervisory Council of the Social Security Agency by branch unions; Alfred Owoce, chairman of the Federation of the Health Protection Workers, was nominated to chair the council.

13021

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## JULY 1985 AMENDMENT TO TRADE UNION LAW REVIEWED

Warsaw NOWE PRAWO in Polish No 11-12, Nov-Dec 86 pp 3-12

[Article by Walery Masewicz: "Amendments to the Trade Union Law"]

[Excerpts] On 24 July 1985 a law was passed amending the trade union law and other laws defining trade union rights. (1) The act, which has long been proposed and anticipated by the trade unions, was negotiated by them during a difficult period of disagreements and arguments at the meetings of the commission named by the Council of State to prepare the amendments.

The promulgation of this law closes the second period in the reconstruction of the legal regulations defining the legal status of the trade unions in Poland. The third period consists of changes in the labor code, including those sections and articles, that regulate the methods of cooperation of the plant union organizations with the management of the plant.

Discussion of the proposed July law at the 70 plenary sessions of the Sejm created an opportunity to present its general premises and the major changes in the legislation. Deputy-reporter S. Gabrielski (2) moving for the passage of the law in the name of the Commission for Social, Health, and Physical Culture Policy and the Commission of Legislative Issues, noted that the proposal aims to: a) preserve all of the current trade union rights in the text of the law of 8 October 1982, b) broaden the rights of the union movement in shaping social policy in the plants and the state, including restoring the legal rights that the trade unions and the national representatives had had earlier, c) sanction legally the organizational structure of the movement that had developed in social practice after the passage of the law of 8 October 1982, d) guarantee the influence of the trade unions on the operation of those state services and institutions providing services to the working people, e) strengthen the legal status and role of the plant trade union organizations as the most important link in the union movement, f) emphasize legally the organic unity and interdependence of all the union functions and tasks.

The range of the changes in the legal status of the trade unions introduced by the law of 24 July 1985 is broad. It includes both organizational and legal problems of the union movement, rights of the individual units in the trade unions, especially plant union organizations, and standards for the rights of workers elected to office at some levels of the union structure.

1. Within the first group of questions, the amendments brought many new legal measures. Among other things, it broadened the criteria of association in trade unions. They have fundamental significance for the holdings and prospects for development of the Polish trade unions. The original art 10 paragraph 2 of the law on trade unions established three, independent criteria of association in trade unions: common employment within one branch of work, performance of a kind employment or one occupation. This made it possible, at least in theory, to create branch, industry, or single-occupation unions. The July amendments added two further organizational criteria for forming trade unions: a) the right to create one trade union for a multi-plant enterprise regardless of the degree of organizational or financial independence of the particular plants, affiliates, or sections of the enterprise and b) allowing the unionizing of the workers of only a single plant.

The goal of these changes is sufficiently clear. It allows the fusion of union organizations currently functioning within individual units of a multi-plant enterprise. The community of rights and interests of the employees of these units creates a natural bond for developing uniform tactics in union action. Union organizations currently functioning in individual parts of a multi-plant enterprise could, obviously, before the passage of the amendments, cooperate in various ways; formally however, they were separate trade unions, which led to doubling and accumulation of union tasks, complicated the organizational structure, and reduced the effectiveness of operations.

It is difficult, however, not to notice some negative consequences of the proliferation of criteria for association in trade unions, especially limiting them to a single plant. The entire reconstruction of the trade unions after the great crisis is greatly dispersed. Most plant union organizations still have separate, independent union status, and the predominant federation structure above the plant level preserves the atomization of the whole despite efforts toward integration.

The new version of art 6 accents the trade union's rights to cooperate with management bodies of the plant in creating conditions favorable to the completion of the tasks, implementing advancement, innovation, rationalization, etc.

This change is supposed to contribute to the trade union's more harmonious execution of its traditional social functions. It also aims to have the trade unions accept greater tasks and responsibility for the state of the national economy and the country's prospects for development.

Legal sanction for the trade union organizational structures above the plant level that were created by the trade unions themselves between 1 January 1983 and 10 August 1985 is the most important issue in the first group of problems in the amendments. The amendment neither creates any new union units nor delineates the organizational forms, realms of jurisdiction, or methods of operation of these units that have survived their initial test in practice. The standards of the July law are in this respect extremely brief and laconic. Even the names of the existing above-plant-level units were not defined. Thus, the law defines federations of trade unions as "national union



organizations, unions of federations, or other similar union organs as institutions of union cooperation within geographical regions or in related branches of work," the All-Polish Convention of Trade Unions as "the national inter-union organization." Two things ought to be noted here. First, the legislators systematically respected the independence of the trade unions, which is their fundamental legal principle in art 1 par 2 of the law. This independence includes the right to develop their own organizational structures and their transformation and reform given changing conditions and needs. The union movement is searching for such organizational forms that have survived the critical test period and can become stable. Any legislative support of one of the many possible organizational structures could be seen as a limitation of the independence of the trade unions. Second, trade unions have noticed the need to organize a congress or other union forum in the near future that would be the only authority for establishing an organizational structure that might be accepted. As is known, the Second All-Polish Convention of Trade Unions has been designated such a forum.

The July amendments limited the range of their norms on structural and organizational problems to a few regulations of elementary, basic significance. The national union organization can limit the range of its operation to the area of one branch of work, to a definite type of employment, or a trade union associating people of one occupation. The signers of such an organization can be trade unions whose territory of operation is one plant. Trade unions, however, do not have the right to a unitary vertical structure for they are essentially a national representative of workers in a particular section or branch.

Only national union organizations can create a national inter-union organization.

Large areas of the mutual relations among individual union units, their jurisdiction, resources, and methods of operation remain beyond the range of the regulations established by law. It is assumed that these issues will be settled by "legal regulations" established by the trade unions themselves. The present internal order of relations in trade unions cannot be considered transparent, logical, and coherent. There are many causes: the peculiar period, when union structures were reconstructed, the openly demonstrated unwillingness to reconstruct organizational conceptions of branch trade unions and a desire to find new ways, the great variety of organizational forms that the new unions adopted that were suited to their legal status.

The overall organizational structure of this movement is an issue for the immediate future. The trade unions have not yet completed their reconstruction and the recovery of their rights and areas of operation they possessed prior to August 1980. The July amendments to the trade union law legalized only a particular stage of this process, adopting the trade unions' holdings of 1985 as the basis for legal regulation.

The version of art 5 of the law entitles the trade unions to play the role of the legal representative of all employees in a plant, branch, or type of work, etc. This standard continues the tradition of Polish trade union law beginning in 1919 under which trade unions have always been the representative of occupational interests, especially of those types of work whose

representatives formed the majority in a union but also in related types. This principle remained in force in a somewhat altered form even after the enactment of the trade union law of 1 July 1949. It lost its meaning after August 1980 as an unavoidable result of the division of the united branch union movement and the formation of three trade unions that used varying criteria of association and different organizational structures. Union pluralism became a fact that had to be taken into consideration by the commission named by the Council of State to develop a proposed new trade union law. The two or three trade unions in a plant could no longer have the privilege of representing all the employees even if one of them could pretend to the title of the representative, significant, influential union. The trade union law was enacted in an unusual, unique situation in October 1982. A careful observer of events stated, not without some amazement, that the law's text contained a regulation developed by the above mentioned commission whose language made each union in a plant the representative of the interests and rights only of its members and that these unions could form a common representation which, however, would be the representative only of that portion of the employees who were associated in the trade unions.

The July amendments do not definitively settle the pluralism versus monism issue, though they do establish two legal measures: 1) they maintain the principle that only one union organization can operate in a plant; 2) they accord all units in a union structure, and thus also the plant union organizations, the legal status of the representative of the interests and the defenders of the rights of all workers in the unions area of operations. During the transition period, at least in practice, there is no contradiction between the social functions of a trade union as an association of people united especially for the common defense of their own group interests and rights and the status of the union as the legal representative of the interests of all the employees.

The July amendments that broaden the trade union rights, especially their plant units, constitute the second basic group of this law's provisions. They give the amendments a distinctive character and direction. This group includes new, innovative regulations and alterations of regulations of old problems already sanctioned by law. First among the latter are the new control and supervision functions of the trade unions. The trade unions have been social auditors since their founding. Rarely, however, has the range, methods, and resources for supervision been legally institutionalized.

The July amendments make the trade unions: a) the social supervisor of the working and living conditions, of the observance of the law, security, and work safety, and of the distribution of housing units available through the plant; b) the supervisor of the distribution of sanatorium assignments; c) the controller (programming, supervising, disciplining) of the activities of other bodies of social supervision, i.e. social inspection of work; d) a participant in the supervision of the operations of the State Work Inspectorate, the Social Security Agency, and the Workers' Vacation Fund.

The provisions broadening the rights of the plant union organizations are of fundamental significance. They chiefly make up the justification for the statement that the goal of the amendments was to strengthen the role and

significance of the plant union units. The minor influence of the trade union on the administration of the plant social and housing funds was one of the faults of the law of 8 October 1982 and for many workers it was proof of the denigration of the union and the discrimination against it in relation to the worker self-managements.

This inequality was somewhat modified by the appropriate practice of cooperation of the self-managements and trade unions. The well-known recommendation of the Sejm Commission on Enterprises' Workers' Self-Managements and the former Social Consultation Commission suggested that the self-managements were obliged to consult the trade unions on the principles governing the distribution of the enterprise's awards and premiums and the assignment of plant housing and social construction. The form of the statement in which the trade unions were to express their position was not defined. There was, however, no doubt that the statement was a consultant's opinion.

The semantic layer of the technical legal terms in art 30a of the amendments leaves no doubt that the condition of agreeing with the plant organization on how to use the social and housing funds gives this organization the right to participate in these decisions. It also leaves no doubt that the decisions in these matters, whether they are made individually or by the resolution of a group, although they are externally statements of the administrative bodies, are in fact dual, mutual decisions because of the obligatory agreement upon the actions to be taken.

A few observations on other issues included in the second group of the July amendments. The former rights of the national interunion organization to exceptional appeal to the Supreme Court on issues of labor law and social security was restored. At present this right belongs to the All-Polish Convention of Trade Unions which has become one of the many bodies developing the judicature of the state courts on labor issues. This right has not been limited to cases of exceptional appeal in the interests of a worker, pensioner, or retiree. One should hope that cases of exceptional appeal to the detriment of workers will be deviations in the Convention's practice. The Convention has been authorized to appeal to the Supreme Court for decisions on guidelines on labor law, social security law, and so-called legal questions.

The trade unions have been empowered to conduct economic operations for profit that is to enlarge the union funds for implementing its statutory functions. All types of economic activity (production, sales, services, etc.) are included. The principles for conducting such activities are set out in separate regulations. (4)

Among the third group of amendments, two issues deserve attention: strengthening the special legal protections for union activists and the new regulations covering their material status during service in office.

Before the amendments, art 39 pt 1 of the labor law guaranteed the union activists' job. Their defense was weaker than that of the workers on the workers' council of the self-managements. The new standard in this area consists of six changes.

- 1) The establishment of a legal prohibition preventing the employer from terminating the work contract (including cooperative work contracts and removal of workers employed under so-called acts of nomination) while they are serving as a member of the board of the plant union organization or for a year after their term of office.
- 2) The exclusion of the effects of a legal firing made before election to the board of the plant union organization, if the end of the dismissal period would fall within the term in office.
- 3) Allowing termination of a work contract during the protected period when the whole plant is liquidated or the worker becomes eligible for a pension for first or second class invalids.
- 4) Maintenance of the right of the employing body to terminate immediately the work contract during the term in office whether for reasons for which the worker is responsible (see art 52 of the labor code) or not responsible (art 53 of the labor code). If the plant union organization is part of a federation or other national union organization, the right to terminate the contract also depends on the prior statutory agreement of the appropriate body of this organization.
- 5) Extension of the particular legal protection to so-called shifting terminations, if the termination moves the worker to new but poorer working conditions or wages.
- 6) Special legal protection is also given to those workers who hold elected office in the statutory bodies of the union federations (or their national union organization) and the All-Polish Convention of Trade Unions. This is an innovation in Polish labor law.

Determining whether the range of the legal protection of the worker's job is sufficient or remains insufficient is certainly a subjective process. Applying objective criteria developed by comparing Polish legal measures with those of analogous or similar measures in other countries, one can judge it to be optimal.

The amendments also contained highly controversial measures. They cover issues of wages for workers performing duties of the elected offices on the boards of plant union organizations. The original text of art 32 par 2 of the trade union law granted leave without pay and the right to services due to employees, except for the contracted wages, to individuals elected to the boards of plant union organizations. This provision was criticized by the union activists because it prevented many elected members of the plant union organizations from performing their mandated function for lack of union funds to guarantee even their previous level of wages. It was supported, however, by reasons of a higher order. Especially the principle of the independence of the trade union from the employer or their interrelationships. This independence, conceived complementarily, has many aspects: organizational, programmatic, personal, and financial. The last means that among other things that no influence on the union activities is admissible, especially on its statutory bodies, through financial pressure, through subsidies from the employer, by union leaders receiving material benefits from the employer, etc.

Although the new measures on wages for individuals freed from occupational labor while holding office in a plant union organization alleviates the financial difficulties of many, especially small organizations, they still contradict the model of trade union legal order in the law of 8 October 1982. This fact casts a shadow on the generally positive nature of the measures in the amendments to the trade union law of 24 July 1985.

#### FOOTNOTES

1. DZIENNIK USTAW No 35, Item 162.
2. ZWIAZKOWY BIULETYN PRAWNO-ORGANIZACYJNY 1985, No 9, p. 321.
3. See K. Bialoskorski: "Principles for the Conduct of Economic Activities by Trade Unions and Taxing Trade Unions for These Activities," ZWIAZKOWY BIULETYN PRAWNO-ORGANIZACYJNY No 3 1985.

13021

CSO: 2600/475

## BRIEFS

DPRK PARTY DELEGATION VISITS--Warsaw, 11 May--A working delegation of the Korean Workers' Party CC, led by deputy head of its foreign department Kwon Min Dzun [name as received], visited Poland at the invitation from the PUWP CC. The delegation had talks at the PUWP CC foreign department on inter-party cooperation, visited the Radom voivodship, met with the first secretary of the PUWP voivodship committee prus, went to see the Kozienice power plant and a military open air museum of the First Polish Army. [Text] [Warsaw PAP in English 0030 GMT 12 May 87 LD] /9274

MILITIA COMMANDER NAMED--Warsaw, 15 May--Acting on the motion of the minister of internal affairs, the president of Poland's Council of Ministers named Gen Zenon Trzcinski to the post of commander-in-chief of the Civil Militia. Since December 1981, Trzcinski, 53, has held the post of deputy commander-in-chief of the Civil Militia. He was a PUWP member. [Text] [Warsaw PAP in English 2056 GMT 15 May 87 LD] /9274

AIR CRASH CONDOLENCES RECEIVED--Warsaw, 15 May--Wojciech Jaruzelski, Zbigniew Messner and Marian Orzechowski continue to receive further cables with condolences after the crash of Polish airline "Lot" plane. Cables were received from: First Secretary of the Communist Party of Cuba CC, Chairman of the Council of State and Government Fidel Castro Ruz, Secretary General of the Workers' Party of Ethiopia, Chairman of the Provisional Military Administrative Council, Commander-in-Chief of the Armed Forces of Socialist Ethiopia Mengistu Haile Mariam, President of the Hellenic Republic Khristos Sartzetakis, Chairman of the Council of Ministers of the Italian Republic Amintore Fanfani, Minister of Foreign Affairs of Canada Joe Clark. [Text] [Warsaw PAP in English 1854 GMT 15 May 87 LD] /9274

PARTY APPEALS COMMISSION MEETS--Warsaw, 11 May--The Appeals Commission of the 10th PUWP Congress held its second plenary meeting here today. During the meeting presided by PUWP CC Political Bureau member Kazimierz Barcikowski, the commission discussed the experiences and conclusions stemming from its hitherto work and that of regional appeals bodies. The commission received 686 appeals, most of them (510) during the 10th PUWP Congress, or soon after its conclusion. The biggest number of appeals (327) concerned decisions of expulsion from the party, and the remaining 178--continuity of party membership, 90 people appealed from decisions on striking them off the membership list, and 81 appealed from party sanctions applied towards them. Nearly half of

appellants are people who were expelled from the party ranks for moral and political reasons, others appealed from the decisions and sanctions for violation of party norms or corrupt practices. Barcikowski said that the appeals submitted to the commission should have been first discussed in basic party cells to which appellants belonged or belongs. The presidium of the Commission also held its meeting today. [Text] [Warsaw PAP in English 2016 GMT 11 May 87 LD] /9274

MALINOWSKI RECEIVES AUSTRIAN OFFICIAL--Warsaw, 18 May--Sejm Speaker Roman Malinowski received here today Premier of the lower Austria Government Siegfried Ludwik. The two discussed Polish-Austrian relations, with particular regard to the role of parliamentary cooperation. Siegfried Ludwik, who is vice president of the Austrian People's Party and Roman Malinowski, in his capacity of chairman of the United Peasant Party, touched upon the question of contacts between the peasant parties of the two countries. The talk was attended by Austrian Ambassador to Poland Andreas Somogyi. [Text] [Warsaw PAP in English 0530 GMT 19 May 87 LD] /9274

CZYREK MEETS SYRIAN LEADERS--Damascus, 18 May--Jozef Czyrek, a member of the PUWP CC Political Bureau and PUWP CC secretary is staying in Damascus on an official visit of friendship at the invitation of the Ba'th Arab Socialist Party. Czyrek met with assistant secretary-general of Ba'th 'Abdallah al-Ahmar and next held a meeting with the party and government leadership of Syria. Today Czyrek visited the martyr city of Qunaytra which was razed to the ground by the Israeli occupier. Czyrek also met with the commander of the 27th replacement of the Polish contingent of the UNDOF disengagement observer force Lt-Col Roman Gralewski. He also held a talk with Syria's Vice President 'Abd al-Halim Khaddam. [Text] [Warsaw PAP in English 2212 GMT 18 May 87 LD] /9274

VENEZUELAN MINISTER VISITS WARSAW--17 May--Deputy Minister of Foreign Affairs of Venezuela German Nava Carrillo paid an official visit to Poland between 14 and 17 May. The Polish side expressed recognition for efforts aimed at finding a peaceful solution to problems in Latin America, in which Venezuela actively participates within the Contadora Group and the support group. The Venezuelan side approaches with recognition Polish peace initiatives, especially to the recent proposal on the reduction of armaments and increasing confidence in Central Europe put forward by President of the Council of State Wojciech Jaruzelski. Both sides expressed satisfaction over the hitherto relations between both states and confirmed their will to continue joint efforts to expand cultural exchange and cooperation in the field of science, technology and to animate trade and economic contracts. Deputy Minister Nava Carrillo was received by Polish Minister of Foreign Affairs Marian Orzechowski. [Text] [Warsaw PAP in English 1726 GMT 17 May 87 LD] /9274

NEW COURT JUDGES CONGRATULATED--Warsaw, 20 May--President of the Council of State Wojciech Jaruzelski today handed nomination acts to newly appointed judges of the Supreme Court at the Belvedere today. Under a resolution of 14 May the Council of State named 118 people to the Supreme Court for a new five-year term. Adam Lopatka was named first president of the Supreme Court. Wojciech Jaruzelski passed on cordial congratulations to the newly appointed judges. The Supreme Court has an important role to play in securing the



stability of the state and in safeguarding its interests through concern for the security of citizens and their feeling of equality under law, Wojciech Jaruzelski accentuated. Following the nomination ceremony the president of the Council of State met with the authorities of the Supreme Court. Pointing to the high rank of the Supreme Court Wojciech Jaruzelski stated that it should be expressed both in the highest quality of judicial decisions and the personal moral authority of the judges who are entrusted with solving the key issues concerning various aspects of the life of the state and its citizens. [Text] [Warsaw PAP in English 1928 GMT 20 May 87 LD] /9274

INTERNATIONAL BOOK FAIR OPENED--Warsaw, 20 May--The 32nd International Book Fair opened in Warsaw today with over a thousand publishing companies from various countries taking part. PUWP CC Political Bureau member, vice president of the Council of State Kazimierz Barcikowski opened the fair. Publishers are presenting over a hundred thousand of the latest book titles from Austria, Belgium, Bulgaria, China, Czechoslovakia, Finland, France, Greece (taking part for the first time), India, Yugoslavia, Cuba, the Democratic People's Republic of Korea, Mongolia, the GDR, the FRG, Romania, Switzerland, the U.S., Hungary, Great Britain, Italy, the Soviet Union and West Berlin. Big international organizations such as the UN and the CMEA as well as the Palestine Liberation Organization are also presenting their publications. There are 58 Polish publishers at the fair too. Among the foreign participants in the Soviet "Mezhdunarodnaya Kniga" publishing house put an especially rich and comprehensive book presentation on display. The exhibitions from the GDR and Czechoslovakia rank among the biggest. [Text] [Warsaw PAP in English 1745 GMT 20 May 87 LD] /9274

RESERVIST TRAINING IN SILESIA--The national defense minister has been observing the training of reservists at the training ground of the Silesian Military District. The training of technical and repair subunits, evacuating combat vehicles, firing centers and signal offices--that is the purpose of today's exercises. In action are reservists who completed military service several years ago. Now they are perfecting their capability as soldiers. The training was observed by National Defense Minister Army General Florian Siwicki. The training ground is not the only place of training. A detached subunit, in which there are also reserve soldiers, repaired agricultural machinery. The value of the soldiers' help was assessed at 3 million zloty. The national defense minister thanked the soldiers for their work and attitude during the training. [Text] [Warsaw Television Service in Polish 1730 GMT 15 May 87] /8309

CSO: 2600/605



## BRIEFS

UK ENVOY MEETS WRITERS UNION OFFICIALS--On Friday, 15 May 1987, Mr. Hugh Arbuthnott, ambassador extraordinary and plenipotentiary of Great Britain in Bucharest paid a working visit to the Writers Union. The guest met with Dumitru Radu Popescu, president of the Writers Union of the Socialist Republic of Romania. Mr. Kevin McGuinness, Cultural Attache of the Embassy of Great Britain in Bucharest, Ion Holban, Secretary of the Union and Professor Andrei Banas took part in the meeting. Aspects of the development of relations of cooperation between writers of the two countries were discussed. [Text] [Bucharest ROMANIA LITERARA in Romanian No 21, 21 May 87 p 2] /8309

APPOINTMENT OF DEPUTY MINISTERS--The President of the Socialist Republic of Romania decrees that the following comrades are appointed deputy ministers of the machine building industry: Violeta Caldarusa and Stelian Necula. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 21, 13 May 87 p 2] /8309

REMOVAL OF DEPUTY MINISTER--The President of the Socialist Republic of Romania decrees that Comrade Dan Vicentiu Constantin is relieved of his position as deputy minister of foreign trade and international economic cooperation. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 21, 13 May 87 p 2] /8309

CSO: 2700/218

## OUTGOING SAWPY CHIEF INTERVIEWED ON CURRENT ISSUES

Belgrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian 26 Apr 87 pp 19-22

[Interview with Nenad Bucin, chairman of the Federal Conference of the SAWPY, by Jug Grizelj: "Who Needs an Indulgent SAWP"; date and place not given]

[Text] Known until recently only to the Montenegrin public, the name of Nenad Bucin (born in Kotor, 1934) has suddenly become a surprisingly attractive "media" name in Yugoslav political life since last May when he was elected to a 1-year term as chairman of the Federal Council of the SAWPY. A skillful and persuasive communicator, frank and spontaneous, comprehensible to everyone, and determined "not to take criticism" from anyone because of the position he holds, he has attracted the attention of the Yugoslav public and especially of those reporting on the meetings Bucin has taken part in--it is never boring when he is there. Bucin is no enfant terrible of Yugoslav politics, neither a "dissident" nor an "assassin." He simply thinks that as a holder of political office he has a duty to speak openly and to put all the questions which are of interest to the rank and file of the organization which he represents in the Federation.

What follows is an interview with Nenad Bucin 20 days before his term expires.

[Question] So this year has passed, in a few days you will "abdicate." How do you feel about it?

[Answer] First, for me at least the most recognizable feeling as the term is about to expire is that I am glad and relieved that it is coming to an end. I am also happy in the knowledge that there were relatively few issues I did not respond to and that I tried to "raise" quite a few of those issues which were bothering me at various points.

But it is somewhere here that the content ends, and we get to the partial satisfaction or indeed even disappointment with what I and others achieved....

I am deeply dissatisfied with the actual attitude of responsible individuals and bodies toward the Socialist Alliance, that real degree of political-ideological obfuscation over its role in society. The fact that such misunderstandings exist, even among members of the bodies of the SAWP, can only add to the discouragement....

If any one of the triad: the government--the party--the SAWP, needs an indulgent and "adaptable" Socialist Alliance, including the people in it, then let the primary thing for us be to ask why they want that, not how we are to meet that demand! And the tales about the "fitness" of the Socialist Alliance, about its presumed ambitions to partnership and parallelism, begin at precisely the moment when it fails to satisfy the ambitions and whims we have referred to.

[Question] Give us an example of that demand for indulgence and obedience on the part of the Socialist Alliance--at your high level?

[Answer] They have been beyond number. For instance, the chairman of the FEC comes and reports to the Presidium of the SAWPY, and this is done verbally, some 15 important measures in the "new package," you cannot even remember what those 15 measures have been, nor do you have a chance to write them down, much less reflect on them, but they still expect--on some basis, actually on the basis of inertia over many years, that the SAWP will immediately "offer full support" to the measures. Then I, say, move that we do not immediately furnish our "unreserved support" to this proposal of measures which were supposed to be adopted the next day, but on the contrary maintain a certain critical distance and wait for the outcome of the first verification of the soundness of these measures in the assembly debate and then possibly "get behind them." But certain comrades immediately jump up and say: Are we in favor of our government or aren't we, do we belong, or are we in opposition, what is there to wait for, let us give our support. Then I probably add that in the Western democracies the government sends new bills even to the opposition parties at least 48 hours before they are presented in parliament, and the answer I am given is this: So there, in the end you want to be in opposition, and I say: No, the Socialist Alliance must preserve a critical distance; it simply does not have the authority to issue a blank check of confidence. Moreover, the Socialist Alliance has an oversight function under the Constitution. But it does no good at all! And it is more or less always that way.... Will it always be?

[Question] What is the "internal" lesson you take from this term of office, and what will you be doing next?

[Answer] Lesson? In any case it is not "don't lean out the window." Since I have not been afraid of conflicts, opinions, or anyone's vanity. What I fear most is the opportunism which a man must sooner or later be inclined to himself, that is simply the way it happens. It is not for nothing that people say that the worst is not when they beat you, but when they beat you and also explain that it is for your own good.... And then in this year that I have been chairman there are questions that we have raised here, issues important to Yugoslavia, but this is usually the situation you get: no one is against your raising that particular question, everyone is "in favor," everyone pats you on the shoulder, but in the end it turns out that all those important issues are dropped from the agenda. It would be easier if one heard counterarguments in answer to his arguments; the most difficult thing is when your arguments are followed by a loud and echoing silence in which you are completely ignored.

Aside from that, I take it hard when we cannot agree--not on the essential issues, but even on marginal matters. I have been noticing that more and more we arrive at a consensus on the basis of what the minority wants. You tailor a consensus to the opinion of one-eighth; but if you have five out of a total of eight "in favor," then you will not get what you want. There will be some "sagacious assessment" and "at the right moment" it will be best for us to concur in the view of that single one, so that then seven-eighths adopt the "consensus" position of that one-eighth.

[Question] Have there been questions in the past year on which you have raised your hand "in favor" or when you as the "spokesman" conducting the meeting have dictated conclusions which you opposed with all your being? If there have been such situations, and judging by your answers so far there have been, why did you not resort to resignation?

[Answer] Perhaps that is the most important reason why I am feeling relief as I wait for my term of office to expire. Yes, I have been in that situation on several occasions when I could have resigned, but then that is a thing which in our country is still completely "up in the air"; some people will say that "you are running away from the battle," others that you are "avoiding your responsibility," still others that you are "calling attention to yourself," and finally those who say that you are a "traitor to our cause." However, the most important practical reason that I did not resign in situations when I deeply disagreed with the decisions being made and which I would sign--is the belief that unfortunately no one's conscience would be awakened, nor would my resignation nor anyone's resignation have an effect on anyone's future actions! This has not been achieved even by considerably more drastic moves in our recent past, nor even by cases of self-destruction. I understand that in our society as resignation must become an individual act of one's integrity when a man is unable to accept some decision, when there is no "extraordinary situation" why he should burden his conscience and make a pretense of unity when it does not exist.

[Question] Probably that is why it is our situation that "nothing can surprise" us except Kosovo, snow in January, 130-percent inflation, over 1 million unemployed, a debt running to \$20 billion, and the like. Isn't this because we confuse historical goals with day-to-day goals, and since historically we are in the right as a movement, we then think that we are infallible in every individual decision as well? Probably that is why we receive a request to rehabilitate someone who in the past said the right thing and we accused him or condemned him and threw him out of the party the way they take out a molar without anesthesia.

[Answer] It is obviously a question of our commitments being way out ahead of our specific solutions. We have proclaimed that proceedings are to be open to public scrutiny, but in fact we nurture exclusiveness, secrecy, mystery, and this suits us very well, since it seems to us that we have eliminated the vacillation in society--at least for a moment. We have also made certain fateful moves in strictly exclusive ways wrapped in secrecy, so that when in the parliament a delegate asks in public how big the government's debt is, he gets a secret answer from the bureaucracy, and that "only for personal use,"

as though he had asked it out of personal curiosity. Unfortunately this is a natural characteristic of any bureaucracy: It is worth adding to this our Balkan sloppiness, and so it turns out, here is an example, one among many, that our debts were for a long time a secret only to our own citizens, and indeed even to those who keep our official records and statistics, when the whole world knew about them.

[Question] There was a time earlier which will be remembered by anyone who has a long memory and has been working for a long time when we had strong propaganda arguments: we were building socialism as social justice and social programs, and this was a message that gave warmth to entire generations. Today when in many respects we are no longer a model to the world, nor indeed even to ourselves, we go on singing the same old song, we are the best, we are the most humane, we are the most self-managing, we are the most lawful.... How do you explain that?

[Answer] How? That reminds me of that joke from Cetinje: A young man goes up to a girl who is sitting down and asks her to dance, and he is surprised by how tall she is and so just to make conversation he asks how tall she is. When her answer confirms his horrifying estimate "with the naked eye" of the great difference between them, he blurts out: Well, you know, that's how tall I am, too, but I'm having an off night!

So, our "off night," our tardy confrontation with the truth, is not a bit less painful than that of the young man. Which is probably why many people stubbornly avoid such unpleasant and traumatizing confrontations--trying to sleep through them. The flight from unpleasant truth, from the "moment of terrible truth," is particularly harmful when it becomes a manner, especially a manner in, say, politics or education. In this case the loss is not measured in physical indicators alone....

We cannot get away from this on the wings of the slogan about "relying on our own resources," which means that we would turn our gaze (at least covertly, to someone else's accumulation and "sweet" credits, but only if from a very young age we get it into the head of every Yugoslav that we are poor and not excessively rich as we have been saying for decades, and that various conveniences and pleasant things in life can be obtained only by work and knowledge, indeed by a great deal of work and a great deal of knowledge.

[Question] Now comes a question which cannot be avoided: What is the SAWPY Presidium, which you head, doing to get an answer from the government to the question of when inflation will be dropping?

[Answer] Our capabilities, as we like to say, are inexhaustible in many respects, including our susceptibility to inflation. Both in this "joke" and in some reality that would mean that we still have room to go in that direction. In the actual case, we did in fact put exactly that question recently: How long is this inflation going to last, and what specifically is being prepared so that it will be lower from now on? But even that was a waste of time.

[Question] But how about that oversight role of the Socialist Alliance?

According to its constitutional function, for instance, the Socialist Alliance has made various proposals of changes in basic enactments in our well-known public discussions. Often, however, those public discussions have grave limitations: You are free to engage in discussion only "from here to here," "nothing is acceptable" that comes before or after, and then you have what is referred to as the "summing up of the discussion," and then it turns out that we all agree on everything. Did you talk about that during the year?

[Answer] Several times. We are all disturbed about the direction in which those public discussions of ours are going. Discussions which are one of the foundations of democracy in the definition of our political system. Unfortunately, we are behaving more and more like bad scientists who set up some hypothesis--which they then cover with "indubitable evidence" in the style of "cross my heart." Wasn't the discussion following the 13th Meeting the best example of how our public discussions end up? When we "summed up" all of those truly nationwide, open, critical, and well-intentioned criticisms which were made throughout Yugoslavia, then what went before the Central Committee was difficult to recognize; above all for those who participated in that debate: so much had been filtered out, rinsed out, washed out, and combed out.

It is even a question of whether that is the greatest failure of these public discussions of ours? Is it not still worse when we in the structures--in a closed room--mull over some proposal for 3 or 4 years (as is now the case with amendments to the Law on Associated Labor), and then give a period of a few months for the workers to debate them, half of which is in the summertime when no one is at work!? Later we will nicely "sum up" all of that, and we will refer to the solutions as "the result of a plebiscite." As a matter of fact, those public discussions of ours have become very painful, and then we have become so clever that even when someone refutes what we say in these public discussions--we turn it around as though it had supported our hypotheses. This is the only reason why today you can no longer fill a single auditorium for any public discussion regardless of what the question is. People say: Why should we discuss it when the end result is not going to be affected.

[Question] One gets the impression that the Socialist Alliance, although timidly, has nevertheless concluded in the recent past that so-called alternative ideas are not any kind of tragedy and that they should be listened to and examined.

[Answer] To tell you the truth, I am amazed that more alternative ideas do not spring up. We have all become sick and tired of one-mindedness, of "plebiscite support," of applause, of turning to left and right, and that is why we have so much lethargy and apathy. I think that alternative ideas are the most natural thing in the world, and we should be overjoyed that these ideas are emerging. When you take a little closer look, most of these ideas follow the line of our commitments, and when you look more carefully at our reactions, it seems that what worries us the most is, first, that these ideas do not come from us, "from the movement," or that we are too old and old-fashioned to understand them.

Of course, there are also ideas that are planted, but this is easy to

recognize, isn't it?! It would be much better for us to go out to meet these new ideas and to "suck them" into the Socialist Alliance. All the parties in the world are scrambling today for young people, for the ecological and other movements, but this bothers us. And then we also put the question: Is this on the line of self-management and socialism? At the same time we behave according to all the rules of hypocrisy: It does not bother us that in the League of Communists of Yugoslavia we often have eight opinions, eight ideas stored on eight government-party shelves, we have become accustomed to adopt a consensus even in the party, and we regard this as unity "concerning that minimum on which we can reach maximum agreement...." But what we allow in the League of Communists we do not allow to ordinary citizens! We are afraid of spontaneous ideas, although without doubt this is the most natural milieu in which alternative ideas should grow. Then we pin labels on these ideas, we condemn them, we attack them.... I repeat, since in our society there is always a danger that someone will take you the wrong way--there is a need to fight certain ideas, there is truly a need to recognize what is not along the line of our basic commitments, but the fight should be waged with arguments, above all with arguments. However much they might seem to smack of "efficiency," of irascibility, of self-confidence and force, the administrative measures are always an expression and reflection of uninventiveness, weakness, uncertainty, and a state of confusion.

[Question] Now that you have mentioned name-calling, does it seem to you that once again we are in a phase of augmented production of domestic enemies on all sides?

[Answer] A few days ago I attended a meeting of reserve military officers where we learned about the basic elements of the upcoming exercises in social self-protection. We were told that during the exercise "four internal enemies would be operating." I then made the remark: Why so few, why only four? A majority understood me quite well, and there was even a bit of laughter.

I tell this anecdote in order to support the assertion about the hasty and immoderate production of enemies. It somehow turns out that our external borders are secure, that we have few if any enemies outside, but within our borders they are all over the place. I think, of course, that this is a case of deliberate craftiness on the part of the political bureaucracy, which wants to avoid the greater wave of criticism which must inevitably come as a consequence of the crisis or of the mistakes which we have made and are making.

But on the other side from these producers of enemies, I think, first, that the absolute commitment of the immense majority of Yugoslavs is to socialism and self-management, that is, that it is patriotic, and that precisely at this moment we have a greater need to have a still larger wave of criticism than, say, a new installment of international credits. It is absolutely incomprehensible to common sense for people to say that our domestic enemies are "better organized than we are," that they are "operating more deliberately" and are "quite cleverly infiltrating all the pores of our society...."



I would say that the facts are the other way around: We politicians are deeply in debt to the citizens and to the working people. We have created a climate in almost all small communities, in work organizations, where no kind of criticism any longer has a chance to make its way. We immediately work it over, dislocate it, find some hostile angle in it, and then we push the person even to the edge of survival. And that is how we arrived at the argument that the laws are something binding on everything except politics, which is above the law, since it is supermoral and superethical.

[Question] We have not noticed that the Presidium of the SAWPY has discussed the campaign in a segment of the world press which has distorted the purport of Branko Mikulic's last interview and all of Europe was for days reading in their newspapers that Yugoslavia was going to bring out the armed forces against its workers.

[Answer] We did not talk about that, but I see no reason why I should avoid giving you an answer to that question. One cannot help but note that all the European "cradles of democracy" have no great reservations about resorting to force whenever things don't go right in global and constitutionally guaranteed commitments. This story about our resorting to force is probably a consequence of a basically colonial attitude toward the Balkans--and toward "those people out there on the border with Asia" who have "always been carrying out putsches." So probably the story about how Yugoslavia thinks of resolving its domestic problems with the strength of the armed forces could fall on fertile soil even with European intellectuals.

I will tell you something which I deeply believe and which cannot be otherwise: There is not a single one of our conceptions, not even such a fundamental conception of society as the system of nationwide defense and social self-protection, that is either premised upon repression of our own people or the workers, but rather everyone sees that citizen and worker as the sole object of protection and, of course, as the protagonist of that protection. The survival of Yugoslavia's fundamental values is bound up with the value of that person and it does not stand above him. That is to say that our point of departure is that the citizen will defend the values of his society and his private life insofar as he holds those values dear. We do not count on other motives of defense, and we are not entitled to. In that sense any use of force on the domestic scene is a nonsensical "indictment," and so this can explain why our media reacted so sensitively to the interpretation that our armed forces would go into the streets to "suppress strikes" and "chase dissenters."

[Question] Just two more questions about current affairs: In the last meeting of the Presidium you finally "came out in favor" of nuclear power plants. What is the meaning of the conclusion that you will seek information from the FEC? Second, 3 months ago NIN sent an open letter to the Federal Conference in which it proposed a sharp and radical reduction of socially owned automobiles. What happened to that initiative? Has our question gone stale?

[Answer] Nuclear power plants: We resolved to call upon the FEC to fully inform the public about everything that has to do with carrying out the



program for construction of nuclear power plants. Just like the delegate of the Federation of Yugoslav Youth (which put that question in the name of young people), and also we who "forwarded" it to the FEC were motivated by a desire and objective need to remove all the veils of mystery and mystification from this question. If we possess the information, only then will we be in a position, each in his own way (the last congress of the SS0J, for example, opted for a national referendum) to make a determination on this issue. Calmly and reasonably, I hope, without unnecessary emotional charge and exclusiveness, with full respect for the judgment of scientists and professionals....

Socially owned automobiles and the proposal by NIN: At the May Meeting of the Presidium of the SAWPY Federal Conference we will approve the text of the letter replying to NIN. Do not expect me to answer "other people's letters," especially before the "person addressed" (the Presidium of the SAWPY Federal Conference) has drafted a response.

[Box, pp 20-21]

#### A Front Without a Front

[Question] Yugoslavia has a population of 22 million, about 15 million of which are members of the Socialist Alliance, while there are approximately 2 million members of the League of Communists. However, when you look at the forums of the Socialist Alliance, the situation seems to be the other way about: Here there are mostly members of the League of Communists, especially at the higher levels, and a negligible number of "others," i.e., of the people, and these are mainly a few "progressive peasants" or "a priest who is on our side." For years, not to say decades, the Socialist Alliance and the party have sworn that they would change that ratio. Are you or your comrades in the Presidium aware of how paradoxical this is?

[Answer] I do not know to what extent various officials are conscious of this: some are not. Obviously: some people see this, but as if to say: Why should I be the one to straighten out the crooked Drina; and then there are people who are not at all disturbed by the fact that we have a general staff without an army, possibly with units attached to the staff, we in the trade unions and young people.... Here is my explanation as to why that is possible: We go about things in that way because it is possible, we do it because that is easiest for us. In terms of formal law and on paper we drive democracy to a level of perfection, we are able to send every decision through all the forums and bodies to vote on, and why should we insert here any "nonparty people," say, in the Yugoslav Assembly, in the republic assemblies, in the federal government, or the republic or provincial governments, or the Federal Conference of the SAWP?! After all, if we had those "people" in "those places," then we would have to make explanations, we would have to argue, we would have to fight for our views and to support them with arguments. So the attitude is this: Stick with it as long as it works, and when it can no longer be done that way--my meaning is that this is how some people think--then we will change and carry out our commitments.

[Question] Fine, that is an explanation as to why it is so, but how did we arrive at that? Do you have figures on how things stand with the representation of non-Communists in other socialist countries in Europe, in the front or in the parliaments?

[Answer] That is in fact what cannot be explained. After all, we are the only socialist country in Europe which achieved its own liberation, the party members headed that movement, but the entire people participated, we did not have foreign tanks that brought us freedom. So where do we get this mistrust of those same people? It is a fact that in our bodies of government, especially above the opstina level, in all the delegate bodies, party members comprise 90 percent or more, while in certain East European countries the percentage of party members in parliament, in the government, or in regional government authorities is no higher than 20. Of course, once again I do not intend to be a slave to numbers. After all, I know that the masses not belonging to the party and nonparty interests are not visibly emancipating themselves in those countries on such a scale. Nevertheless, it is interesting for the purpose of analysis.

This arithmetic of ours, along with many other things, is one reason why the Socialist Alliance, which has such great authority and tasks assigned it in the SFRY Constitution, has so little weight and influence with people: the non-Communists look like favorites, observers, a cheering section....

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CSO: 2800/204

## OUTDATED ECONOMIC VIEWPOINTS RIDICULED

Belgrade NOVE OMLADINSKE NOVINE in Serbo-Croatian 26 Apr 87 p 3

[Commentary by Zoran Miljatovic: "Little Leftist Foxes"]

[Text] "...The direct satisfaction of the needs of the people is the fundamental aim of production, is what makes production socialist. Hence the concept of an autarchic centralistic planned economy, which is supposed to produce only what is necessary for the people; all exports, and imports, are a loss. To establish such production to satisfy needs, a plan is necessary, and planning involves superseding market arrangements for labor."

These are not the reflections of an orthodox economist from the East of the time when Georgian tea was the favorite beverage. The quote is from a commentary on a paper recently delivered at Kumrovec as part of the preparations for our own ideological plenum. The conference was organized under the auspices of the LCY CC presidium, the paper under discussion was by Dzemal Sokolovic of the Faculty of Political Science in Sarajevo. The critique by the Economics Institute of Zagreb goes on to say that "such a comprehensive totalitarian vision of society's economic arrangements is difficult to find in literature with pretensions to seriousness, nor can it be called Stalinist, not even the most radical Stalinist theories went so far, especially not Stalin himself." According to Sokolovic, socialist consumption must also be guided by common needs and not individual needs. Modesty in the satisfaction of needs must be a feature of such consumption. Such consumption requires a new man, who will not only be unable to choose what and how much to consume but must constantly and consciously aim at reducing personal consumption. And so forth, and so forth.

Sokolovic was not isolated. One more introductory speaker, docent Dusan Sabolovic of the Faculty of Economics in Zagreb, joined him. Aside from the resignation of several participants at the conference, the majority did not respond to these remarks.

The modern thesis of the "danger from the right," although no one has ventured to define the "right" with precision, has evolved in recent months to the point where the "right" is everything that is hostile--ultraleftist, ultrarightist, more left, more right.... This very interesting play on words, transformed into a "theory," may be more of a tip to Freudian psychotherapists than a

reflection on ideology or day-to-day politics. The fact remains that, in our "encirclement by enemies," we have not been paying much attention to those "a little more to the left," much less bringing them before the courts, least of all naming and unmasking them. Reconciled with the idea that dogmatism is a necessary transitional evil, an occasionally charming "firm-hand" limitation, and that the battle ought to be waged on some other plane, we have apparently been "hunting the wolf while the foxes are leading the circle dance." At the invitation-only conference at Kumrovec, something of that came out into the open but was then hushed up (largely successfully) by a combination of silence and efforts to minimize what was said.

One thing is certain: someone acting in the name of the LCY CC presidium invited these economists to the conference, at which they in effect directed the discussions. Documents from the conference, along with other discussions conducted as part of the preparations for the ideological plenum, will be included in thickish books. Like it or not, everything is sort of official.

The 24-hour defenders of the system have not spoken out on this point. The preservers of the purity of our children's consciousness have not risen to protect the undefended against such lecturers. There is no uproar in the press. We devote to this variety of a totalitarian vision of socialism only a little astonishment and ridicule. At most. At worst--quiet acquiescence. Dogmatism is most difficult to defend rationally in economics, since simple figures refute it. If dogmatism manifests itself today in economic thinking, imagine what things must be like in other segments of social thinking and action.

As far as the economy is concerned, the situation is similar. Why economic laws are difficult to plant on our soil, despite so much advocacy, is unclear to only a few naive or blind individuals

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CSO: 2800/215

## FOREIGN TRADE ROLE IN ECONOMIC RESTRUCTURING DISCUSSED

Prague HOSPODARSKE NOVINY in Czech No 5, 1987 pp 1, 4

[Article by Eng Bohumil Urban, CSSR Minister of Foreign Trade: "Meeting World Criteria of Efficiency and Quality: Foreign Trade in the Restructuring of the Economic System"]

[Text] Every day in the international marketplace the overall economic performance of the Czechoslovak economy is subjected to rigorous comparisons and tests of its efficiency. Long-term developments have resulted in tougher competitive conditions abroad, which has forced us to look for new ways to manage and increase the effectiveness of our participation in the international division of labor. The evaluation performed at the 17th CPCZ Congress confirmed that we must take steps to revamp our economic system as it relates to foreign trade. The major objectives of these changes are contained in Principles for Restructuring the Economic System of the CSSR, which has been approved by the CPCZ Central Committee presidium and the Federal Government [the text is included as a supplement to this issue of HOSPODARSKE NOVINY].

Restructuring our entire economy, including its foreign trade sector, is a long range objective that will be fully implemented only during the Ninth 5-Year Plan. To speed up the process and to test the feasibility of some of the proposed changes, selected experiments will be conducted during the Eighth 5-Year Plan. This testing of proposed new elements of the economic system will occur under the auspices of the Comprehensive Experiment in Increasing the Independence and Responsibility of Economic Entities for Effective Development, a program that was formulated by the State Planning Commission. Principles for the Improved Management and Organization of Foreign Trade was developed based on the Experiment, and is the subject of this article.

Our economy is already open to the rest of the world to a significant extent, and should become more open in the future. Nevertheless, standards of efficiency and quality that are normal on world markets are not being transmitted to our domestic economy to a sufficient degree by our economic system. This is evident in several areas of comparison with industrially advanced countries. Our rate of application of R&D findings to the product innovation cycle is too low. We make inadequate use of international R&D cooperation, and do not take full advantage of opportunities for production cooperation and specialization. We are too slow to change the structure of our economy, our gains in labor productivity are too low, and our economy cannot react flexibly enough to changes in external conditions.

The result in a number of sectors has been a gradual weakening of the competitive position of our economy in world markets and a consequent decline in the efficiency of our foreign exchange. Changing this situation will require the use of all the tools of economic policy (planning, pricing policy, currency, exchange rate and hard currency policy, industrial and commercial policy, incentive systems, etc.) and will require us to allow world standards to exert a greater influence on our capital replacement process.

We naturally view the most important tasks to be the development of cooperation with our partners in the socialist countries, with whom we conduct most of our foreign trade. The new demands of socialist markets in recent years have pointed to the need to improve those economic mechanisms that have a direct impact on increasing Czechoslovak participation in socialist economic integration (mainly by setting up direct ties between economic organizations), and the development of production cooperation and specialization, primarily with CEMA member countries.

We must also proceed in developing links between production enterprises and the foreign trade sector. When formulating our plans we must implement as much as possible demanding efficiency criteria based on world standards of labor productivity rather than our own. We must also adjust wholesale and procurement prices in relation both to socially necessary costs and world price levels, so that these prices better reflect world developments and the efficiency of our exports.

This means that it will be necessary gradually to strengthen the independence and authority of economic production units [VHJ] and firms, to increase their accountability for improving managerial efficiency, for implementing the findings of R&D, and for reacting more flexibly to changes in foreign conditions.

Simultaneously we wish to improve the actual commercial work of our foreign trade organizations, improve their flexibility, and make better use of non-traditional forms of work in foreign markets.

Improving the economic system in all the above areas is of vital importance and must take precedence both in terms of resource allocation and time to the choice of appropriate organizational structures within which the improvements will be implemented. Mere organizational changes that are not accompanied by other supporting measures (especially pro-export programs) throughout the economic system and in economic policy cannot produce the desired results. This has been clear from the results of ongoing experiments in the organizational association of the foreign trade and the production sectors.

#### A More Flexible System

The Federal Ministry of Foreign Trade [FMZO] has drafted measures to take effect in 1987 which apply to the foreign trade operations of the entire economy (including modified forms applying to those organizations participating in the Experiment). The purpose of these measures is to create improved conditions for

meeting the Eighth 5-Year Plan targets in foreign trade, to improve the efficiency of foreign trade relations, and to develop direct ties among organizations.

To facilitate the development of direct relationships in international R&D and cooperative production work with both socialist and nonsocialist partners, production and other organizations have been given exclusive authority and responsibility for developing such relationships. The only condition is that organizations entering into a direct relationship may not make any commitments that would conflict with long range Czechoslovak obligations stemming from existing trade agreements, annual protocols, or other international negotiations.

Foreign trade organizations will support the establishment of these direct relationships, participating at the request of research or production firms as a facilitator, providing professional services and operational assistance. The FMZO will evaluate the overall economic efficiency of these direct relationships and their impact on the growth rate and structure of trade relations, especially related to socialist countries.

Analyses have shown that the current way of applying financial and economic mechanisms to foreign trade, based as it is on a planned relationship between domestic and foreign prices, does not react flexibly enough to common structural changes (both in terms of goods and territories) in foreign trade. The current technique also does not react flexibly enough to exchange rate and price fluctuations, which cannot be predicted reliably when formulating annual plans. The result is that many of these mechanisms act in a way that discourages exports and inhibits needed changes in the structure of exports.

In the interest of more flexible decisionmaking that would better serve the meeting of the export objectives of economic policy we have suggested retaining the broad outlines of the current system, while allowing it to function much more flexibly. Production sectors now have the authority to make necessary adjustments among their constituent VHJ (and the VHJ among their subordinate firms) as long as they comply with certain constraints regarding the product mix designated for export and the planned financial relationship of the sector to the state budget.

These changes have eliminated certain administrative procedures related to exports that have been shown to be our least effective. These measures lose their economic justification once the proposed financial and economic mechanisms for foreign trade are implemented. Eliminating this paperwork, furthermore, does not significantly change the conditions for making these export deliveries. For exports which do not meet efficiency criteria, and especially sublimit exports, production sectors must demand from their VHJ and enterprises (in cooperation with foreign trade organizations) the development of programs that will speed up increases in technicoeconomic sophistication, quality, and other factors that influence export efficiency.

The current importing system is very administration-intensive, making it impossible to take advantage of concentrated orders abroad, which would gain us more favorable pricing and payment terms (along with lower administrative requirements). This would in turn allow us to make more effective use of imports to support commercial and political interests. Proposed systemic changes, therefore, are focused on more effective procedures that will make our importing system more realistic and flexible.

Hard currency incentives for production organizations and foreign trade organizations [OZO] to fulfill and exceed export targets and to improve export efficiency are undoubtedly among the most important mechanisms for motivating export suppliers to meet their targets for exports to nonsocialist countries, while also permitting them to modernize and add to their export product lines. New regulations governing these incentives were issued in 1986, based on the principle of differentiated rates. The regulations have not been very effective in part because the rates are too low, meaning that they do not offer sufficient incentives. We have therefore recommended an increase by a factor of two in the existing rates. In contrast also to existing rates. In contrast also to existing regulations we have proposed an increase by a factor of two in hard currency incentives for the importing of turn key capital equipment. Resources obtained in this way can be used to modernize and update product lines under established guidelines.

#### More Effective Organizational Structure

The Comprehensive Experiment provides for the implementation of measures designed to improve the economic and in some cases organizational integration between production and foreign trade. This involves production firms include within the Comprehensive Experiment and pertinent OZO.

These measures involve the implementation of principles and programs to strengthen the economic independence and accountability of selected organizations for their long range economic performance, including their performance in foreign trade.

We expect that these new measures will increase the adaptability of organizations to the changing requirements of domestic and foreign markets, including unexpected fluctuations on world markets. They should speed up the production of those products that can be sold effectively on foreign markets and facilitate changes in the organizational integration of production with domestic and foreign trade.

In the area of planning, organizations participating in the Experiment will receive new binding tasks (in conjunction with an appropriate OZO for exports and imports in foreign prices or in the form of a standard of hard currency performance (which might include organizational responsibility for collected funds).



Additional ways to integrate production with foreign trade will be explored in the interest of improving the organizational structure of management. For instance, participating organizations might be permitted to contract with a OZO dealing in the requisite commodities for exporting its products as an agent; or to develop, at pertinent foreign trade organizations, groups directly dependent on organizational performance to export the products of organizations involved in the Experiment; or to set up offices of foreign trade organizations as separate entities on the premises of participating firms. These branch offices could be involved in either imports or in exports.

The FMZO has developed several new programs for linking up production firms with foreign trade organizations that are also based on the above principles.

In the engineering sector we have proposed placing all activities of the Skodaexport OZO under the management of the Plzen Skoda VHJ (the Federal Ministry of Metallurgy and Heavy Engineering).

It has also been decided to bring the Pragoinvest OZO under the management of the Prague Ceskomoravska Kolben-Danek VHJ with its existing commodity base (with the exception of gas industry integration projects in the USSR, currently being handled by the firm SIMEX, which will be placed under the management of the Strojexport OZO). The Sigma VHJ will also be left its independence to conduct foreign trade activities.

The following measures have been instituted under the Federal Ministry of General Engineering: the existing agency relationship in the export of passenger cars and tractors has been expanded to include the further division of foreign trade activities among the Motokov OZO and production firms (the Mlada Boleslav Automobile Plants, national enterprise, and Agrozet), mainly in the areas of commercial and technical services, service, deliveries of spare parts, improving price cooperation, and cooperation in managing ownership positions abroad.

To improve the integration between production and foreign trade in one commodity the decision was made to transfer from the Strojexport OZO to the Martin Heavy Engineering Plants VHJ the exporting of construction and road-building machines, fork lift vehicles and other products from the product line of the Martin works. This means that the current authority of the Martin Works to conduct foreign trade has been expanded to include the importing of special purpose machines for its own use. The Strojexport organization will still handle imports for other sectors.

In line with the policy of improving the links between production and foreign trade, during 1987 an office of Strojimport will be set up to handle the exporting of turnkey projects and equipment related to machine and forming tools at the Prague Plants for Engineering Machinery. An office will also be established at the Elitex VHJ to handle exports of turnkey projects and textile machinery. Similar offices will also be set up under the Omnipol OZO to coordinate the exporting of aeronautical technology for the Aero VHJ, and

within the Omnia OZO for exporting machinery and equipment for the protection of bearings at the Povazska Bystrica Anti-Friction Bearing Plants VHJ.

During 1987 we will be looking into the feasibility of systemic and economic measures including different types of agency relationships, in an attempt to expand our foreign trade in consumer durables through the Mercuria and the Omnia OZO.

With regard to the Federal Ministry of the Electrotechnical Industry the Decision was made to retain the current authority to engage in foreign trade activities, and to expand authorization to include the entire product line of Stara Tura Chirana VHJ and the Prague High Voltage Engineering VHJ. Responsibility for exports and imports related to the components base for electronics and electronic subassemblies passed from the Kovo OZO to the Roznov Tesla VHJ. On the other hand the agency relationship between Kovo and Brno Tesla will be retained and expanded. These changes mean that the responsibility for exporting about 29 percent of engineering exports to socialist countries and 22 percent of these exports to nonsocialist countries will now be the responsibility of production branches of the engineering sector.

#### A More Favorable Export Climate

The foregoing proposals for integrating foreign trade operations with production under the Comprehensive Experiment will facilitate the assurance of the tasks of the Eighth 5-Year Plan and help to create the conditions for speeding up the growth rate of the national economy. We consider the main objective to be improving the export incentives of the current economic system beginning in 1987 and to implement differentiated forms of economic and organizational integration between engineering sector production and foreign trade operations. This groundwork will make it possible to formulate priority programs for the Ninth 5-Year Plan.

The Comprehensive Experiment assumes that appropriate forms of economic and organizational links between foreign trade and production will also be tested in nonengineering firms and VHJ.

The refinement and application of the principles of the Comprehensive Experiment is drawing upon the positive experiences gained from the 1982-1985 experiment in improving export efficiency at firms exporting lines of goods manufactured primarily from domestic raw materials. This experiment involved mainly the glass, costume jewelry, and porcelain industries.

One may also assume that organizations such as the Czechoslovak Musical Instrument VHJ, Bratislava Rempo, Prague Unicoop, Bratislava Unicoop, Prague Imex, Intergeo, Czechoslovak Filmexport, Czechoslovak Television, etc. will retain their authorization to engage in foreign trade. A new authorization to engage in foreign trade has been granted to the Prague Supraphon VHJ (under the Ministry of Culture of the CSR). This permission covers only records, with this item being taken away from the line of the artia foreign trade organization.

In the agro-food complex our objective will be to adjust the position of the Koospol OZO in a way that will allow this organization to satisfy completely, within the context of exchange and cooperative programs, its export and import requirements as an independent, self-managing entity. A further objective is for this organization to organize cooperation among firms of the agro-food complex and firms engaged in foreign trade in order to develop export resources and assure imports of necessities and services, including the procurement of licenses to help develop the food and agriculture sector.

#### Multilateral Commercial Activity

With more direct relationships to be established, more and more VNJ will be turning to the services of Transakta. The Federal Ministry of Foreign Trade is creating within the Transakta foreign trade organization a capability for providing flexible services to all interested parties (mainly smaller organizations) concerning exports, imports, cooperation, introducing new products, etc.

We are aware that even in the commercial work involved in foreign trade we must be seeking constantly new techniques and work methods. We are reminded frequently that in foreign trade today there is no substitute for trading practices that have not been traditional with us. We have therefore proposed the establishment of trading companies as part of the proposed changes. Specifically, the FMZO will establish a small trading organization staffed with highly qualified professionals whose mission will be the organization, coordination and execution of trading operations, (primarily parallel trade, imports linked to exports, profitable and reprocessing operations, working on issues related to imports from third world countries, collections, etc.) according to the requirements of the foreign trade and production sectors.

To achieve the desired quality, flexibility and responsiveness in cooperation between OZO and production firms (from information flows through the execution of joint pro-export programs) about 40 OZO branch offices will be set up in engineering sector production firms, with another 40 or so to be established at nonengineering production organizations.

#### More Effective Conceptual Management

The complicated and contradictory evolution of external politico-economic conditions and their impact on our economy requires that our participation in the international division of labor be conceptualized and managed effectively. This is further necessitated by the fact that the initiative and responsibility required of the khozraschot sphere will be increasing with regard to implementing foreign economic relations, including direct relationships, and the further fact that, within the context of the existing conceptual experiment there will be increasing variability in the types of potential relationships between production and other organizations domestically and in foreign markets.

For these primary reasons we must maintain and improve the operational quality of the state foreign trade monopoly as operated through the FMZO, in effective

cooperation with coordinating agencies of the state sector. This will involve mainly the conceptualizing and execution of a unified national foreign trade and commercial policy for the CSSR in relation to individual countries and groups of countries, and international economic organizations, and the management of the basic proportions (scope, goods and territorial structure) of trading to meet the needs of our national economy. We will also be making increased use of appropriate tools of planned management, economic regulations and mechanisms, rational efficiency criteria and incentive systems to implement these programs.

Central agencies will continue to monitor the formation of external and internal conditions for developing progressive forms of international economic cooperation (R&D cooperation, production specialization and cooperation, joint ventures and direct relationships), the development of trade in services, and the utilization of nontraditional commercial techniques.

One of the main objectives of the central management of foreign trade remains the assurance of unity of conduct by all Czechoslovak economic entities in relation to their trading partners, especially in the execution of pricing policy and in the area of commercial work. This is a matter of promoting the interests of the entire national economy and of preventing undesirable mutual competition, as well as the establishment of conditions for conducting the foreign commercial activities of all economic entities on the basis of legal permits issued by the CSSR FMZO (without regard for the sector to which an entity belongs), and controlling compliance with these laws.

We are also aware that improving export competitiveness and efficiency by our processing industries and engineering sector will depend on achieving a substantial increase in the growth rate of the technico-economic sophistication and quality of our products. This in turn depends on a number of other important factors, and not by a long shot only on making some organizational changes related to the relationship between production and foreign trade. Economic measures, including new economic forms for the integration of production with foreign trade, are of particular importance for increasing the impact of foreign market conditions on our own domestic capital replacement process.

We will not make any significant progress in meeting the demanding tasks related to structural changes and the effectiveness of our participation in the international division of labor without a considered, yet systematic improvement in our economic system, in the organization of our foreign trade, and in our actual commercial activities. Moreover, this is the only path open to us if we are to realize our overall strategy of speeding up the socioeconomic development of our economy.

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## CRYSTALEX DEVELOPING DETAILS OF ECONOMIC EXPERIMENT

Prague RUDE PRAVO in Czech 24 Feb 87 p 1

[Article by Eva Sadilkova and Zdenek Hoffmann: "According to the New Rules"]

[Text] Novy Bor (from our correspondents)---"The rules for applying the comprehensive experiment in increasing independence and responsibility in economic organizations for effective development was already approved on 9 February. This completed the center's role and now everything depends on us." These are the words with which the general director of the Novy Bor Crystalex plant, Eng Frantisek Arnost, opened a council of enterprise and plant directors of that VHJ (economic production unit) on Wednesday, 18 February.

"We still have to take care of only the specific establishing of norms and concluding contracts with the Skloexport foreign trade enterprise and the State Bank. But this is not stopping us from going on to the next stage in applying the experiment, which is describing the tasks for the enterprises and plants. We plan on completing this work by the middle of March and by the end of that month we must have ready the specific rules of application in the individual enterprises and plants and then the most demanding task awaits us: introduction of the principles of the experiment into the basic accounting centers, the operations, workshops, and separate work areas."

#### Not Just Higher Authority

The Crystalex economic production unit, its enterprises and plants, together with the Jablonec costume jewelry factory are the first to begin working in accordance with the rules of the experiment. Other VHJs will gradually join in so that they too will take much better care than so far of the quality of the goods manufactured, their rapid turnover and innovations, so that they will not produce for the warehouse, but will put out only products in which customers at home and abroad have great interest. In addition to these important duties, the experiment brings increased authority and greater independence, but also responsibility for economic development.

It is certainly not a simple task in any way to implement the new rules in practice and to begin working in accordance with them. In Crystalex they know that writing out the principles in full down to the last khozraschet

unit completes the period of preparations and the experiment is taking off at full speed. According to the preliminary estimates, this should be 1 July of this year.

At first glance, this time frame seems a long way off, but considering the extent of the preparations for application of the new system it is not possible to shorten the schedule. "We have to get everyone thinking in terms of the experiment," stated comrade Arnost. "It is necessary for them to understand its substance, the new tasks and duties, and the priorities as well which are connected with the new management. Only thus is it possible to ensure the contributions which we all are expecting from it."

#### Everything Cannot Come From Above

"Already now, during the preparations," as comrade Arnost further emphasized at the directors' meeting, "it is necessary to put an end to the passivity which earlier was routine. Everything cannot come from above. We need initiative without orders and directives. Anyone who waits is making a mistake. You plant directors who do not have analyses of the long-term development and an analysis of exceptional influences on management results will have considerable problems in further application of the principles of the experiment in your assigned sectors."

Export to socialist and nonsocialist countries in freight prepaid prices, profit, and the status of supplies in relation to output are designated as important indicators for the evaluation of plants. But what interests the majority of the employees is obviously the value set on their work, the level of wages. According to the rules of the experiment, this will depend during work mainly on the results of each khozaschet unit. Higher evaluation is possible even when the VHI as a whole can figure on only a 3.2 percent growth in wages, including the increase in employees who are finishing trade training schools. The entire planned growth in average monthly wages will, so to speak, depend on savings in labor and effective utilization of the workplaces.

"It is possible that some of you are thinking, 'Where can we find any more untapped resources for more effective work'", comrade Arnost said, among other things, at the directors' conference. "There are opportunities everywhere and we also have them. For example, in more effective utilization of overtime or otherwise in gradually reducing it by better work organization, smooth movement of material, etc. It is necessary to make better use of the services of the service units which will be billed to each center and will reduce its economic results."

At the end of the meeting the general director emphasized that now, much more than in the previous period, it will depend on the specific management work of the people who occupy the supervisory positions in the individual khozaschet units. It will also be seen whether they are up to the work, which will be substantially more demanding. "When the plant is losing money and the earnings are lower, it could happen that the employees chase them, and that of course includes each one of us sitting here, out of the job."

## Is Everyone Up To It?

So far the supervisory employees enjoy the full trust of their people. Vaclav Stepanek, glassworking foreman from plant 02 Novy Bor, confirmed this for us. "We believe that we can all handle the experiment. We expect a lot out of it. For example, more room for creative work. We are interested in manufacturing only such glass goods as will sell well and for which there will always be a great demand. As far as it is possible, we want to produce still more effectively, so there will be more resources left over for us to set up housewares or so that we can save in auxiliary labor and achieve greater productivity of labor and thus higher earnings as well."

There are not fears about applying the experiment on the part of the chief of the combined production centers, Rudolf Kriesche, either, who is responsible for one of the basic khozraschet units with more than 100 employees. He has been working in the glassworks for 38 years now. In response to the question of what to expect from the experiment, he answered, "Mainly a change in people's thinking and their approach to the work, frugal handling of the glass, savings, and increasing the quality of the work. This is the basis for success and repeat orders from abroad depend on it, which save us expenses in preparation and actual production. Earlier, claims and penalties for not meeting schedules cost the entire enterprise. Now they show up mainly in the management of the khozraschet unit which is guilty. The consequences are felt mainly by those who are directly responsible. And, in my opinion, that is proper. It can happen that problems also arise in applying the rules of the experiment. It depends solely on us as to how we handle them and whether we solve them rapidly, on the run, so to say, so that this affair, from which we expect a lot, is successful. So that it brings benefits to us, but mainly to the entire national economy."

6285/9716

CSO: 2400/164

## BRIEFS

VACCINES FOR MADAGASCAR--A relief shipment containing measles vaccine put together by the Solidarity Committee and the GDR's UNICEF National Committee, was handed to representatives of the Health Ministry of Madagascar in Antananarivo on 14 May. The shipment, which was financed from donations of the GDR population, is sufficient for the immunization of 10,000 children. It supports a vaccination drive which is now being carried out in Madagascar together with the UN Children's Fund (UNICEF). [Text] [East Berlin NEUES DEUTSCHLAND in German 16/17 May 87 p 5 AU] /9274

CSO: 2300/286



## PUBLIC'S VIEWS ON BENEFITS, POVERTY, UNEMPLOYMENT REPORTED

Budapest FIGYELO in Hungarian 16 Apr 87 pp 1-4

[Article: "Who Should Receive Subsidized Vacation?"]

[Text] The dilemma facing the official in charge of union-sponsored recreation is like a model of our social problems: who should receive the vouchers that entitle the bearer to reduced-rate vacations? Those who perform well on the job, or those who perform a lot of social work and make their mark in public life? Or those who by virtue of their financial and social situation are in particular need for reduced rates, such as large families, or small families with a single head of household? Low income families, or the disadvantaged, regardless of reason? So then, who should receive reduced-rate vacation vouchers? Everyone should receive it. And the abundance of eligibility criteria makes a socially just distribution of the vouchers simply impossible. The dilemma of the official in charge of recreation is one of the fundamental, so far unresolved problems of our social policies. How does the citizenry view this situation--how does public opinion assess these matters?

On two occasions the Mass-Communication Research Institute [TK] surveyed the public's view of social service deliveries, ranging from nurseries to pensions. The surveys were conducted in 1982 and 1984. A recently published voluminous work by Robert Angelusz, Lajos Nagy and Robert Tardos contains the survey results. Heretofore, attention paid to this subject was less than what it should have been, and hopefully, since the actual survey took place, the institutional system and practice related to our social policies has been scheduled for renewal. Thus the volume's significance.

Reverting to the dilemma exemplified in the introduction: already in 1982 the population sample felt that social services should be provided primarily to the poor and to those living under adverse conditions. But the number of respondents who felt that good work performance also merits this kind of assistance was barely smaller than the number of those in the first category.

(Note: in theory, from the viewpoint of social service assistance, the best workers cannot belong to the disadvantaged group. I repeat: in theory only--if our compensation and related incentive systems at the workplaces would function as they should ...)

A glance at earlier research data reveals that from the viewpoint of allocating social services, need played an increasing role, while the role of work-related merit had a diminishing significance. The causes of this changed outlook may be sought in immediate, personal experiences, and may be related to the appearance of the more or less publicly acknowledged problem cluster called domestic poverty. What was hardly noticeable in the seventies became a recognized fact in the early eighties: poverty does exist in Hungary. This fact is acknowledged and recognized more readily, more unequivocally primarily by the intelligentsia, and by those who enjoy good living standards. It is recognized to a lesser extent by those living under adverse conditions with low levels of educational accomplishments. (The latter group refrains from dealing with the issue of poverty not only because of the meaning of that term in the traditional context, but also because of the term's ideological implication. And let us add here: perhaps also because of a sense of pride ...)

But the researchers kept insisting: if poverty exists nevertheless, what are the causes of poverty? The responses were highly characteristic of the respective periods in which the questions were asked. In the early and mid 80's there was a general view by which poverty could be decisively attributed to personal reasons (e.g. alcoholism, vagrancy, wasteful consumption, criminal lifestyle). But compared to earlier surveys, already in 1984 a significant number of respondents felt that poverty may be traced not only to personal characteristics, but also to causes of a societal scope. (And behind this shift in public opinion one may discover the problems of the unskilled and the uneducated, of those who reside in economically and otherwise backward settlements, of families with a large number of dependents, and even of those disadvantaged by virtue of family origins.) We should repeat: although motives of a societal scope have appeared, a large part of public opinion continues to relate poverty to deviations from the perceived societal norm. Correspondingly, by the mid 80's, a majority felt that while the poor and those living under adverse conditions ought to be helped by governmental social policies, those who deserve support by virtue of their work and conduct at the workplace should also be helped. A more detailed analysis of the research data demonstrates that it is mostly the inactive individuals, and among active individuals the young, skilled physical workers who stress the need for the allocation of social benefits according to work accomplishments, rather than on the basis of need. In other words, recalling the example described at the outset, it is the best of the workers, and as such, in theory the best paid workers who should be the primary beneficiaries of reduced-rate recreational vouchers, rather than those who cannot afford recreation and relaxation without such vouchers.

## Minimum Pension

There is yet a third group within the larger context of who and for what reason should be supported by social services. Those belonging to this group claim that no one should be supported for any reason, because--and they quote the findings of the TK researchers--"everyone should be able to succeed according to his abilities and his diligence". And quite interestingly, paralleling a decline in the standard of living and a reduction in real wages, this group has increased, even if not significantly. In 1982, 12 percent of the respondents belonged to this group. In 1984 this group constituted 14 percent of the respondents.

Having viewed the overall picture, let us examine some areas of social policy and the related public opinion characteristic.

The pension issue does not affect most people, nevertheless it is one of the most charged issues. This is so because disparity between pensions on the one hand, and the increasing rate of inflation on the other is the greatest, and because the living conditions of a large majority of retired persons is unquestionably deteriorating as compared to those of any other social stratum. This deterioration has assumed such proportions that the pension issue became a focal point of public concern. Citizens simply cannot understand why pensions do not assure minimum levels of subsistence to a significant part of this stratum, even though a pension is a well-deserved reward for a life's active work, and has been paid for in advance by everyone. And this fact called society's attention--suspicious attention--not only to retired persons, but also to all the problems of the aged. How should one assess the worth of social policies, and as part of these, the worth of the social security institution? And no matter for what reason, by now these policies are forced to acknowledge the legitimate concerns of retirees, nevertheless appear to be impotent to provide relief. Just as they are impotent regarding the social problem of the aged who had been cast into some of the most difficult life situations ...

Almost half of the survey respondents now feels--and one wonders: could they be wrong?--that retirees "barely make out with their pensions", while previous prevailing opinion held that a majority of retirees lives under acceptable conditions. Why this change in view? Well, because during the early eighties for example, a majority of the respondents felt that the minimum pension should be 2380 forints. Two years later the minimum amount viewed as adequate was 2870 forints, and just how could have pensions increased by 500 forints during those two years? We should also state--and this is not negligible either--that the 20 percent increase in pensions deemed by public opinion to be the necessary minimum can be correlated not only to the price indexes of those two years, but also to the estimated increase in minimum family subsistence levels. Public opinion holds that between 1982 and 1984 the so-called minimum family subsistence level--the amount of money on which a family can "barely make ends meet"--has risen by 13 percent, from 5340 forints to 6040 forints. (As a matter of personal opinion suffice it to say that this calculation appears to be extremely cautious and very optimistic, even if one considers prices and wages of three years ago ...)

Preserving the purchasing power of pensions has been an increasingly difficult problem for years. Lack of progress in this respect is being sensed, known and verified by the citizenry. In 1982 almost half of those polled deemed the situation of retirees as "very difficult", while two years later more than 70 percent felt that way. It should be emphasized that most respondents were within the active working age group.

All this suggests that a large majority of the population feels that retirees constitute the most important target group for social policies. (Once again a personal note: could it be, perhaps, that some self-interest may be discovered in the shaping of public opinion? We should not believe for a moment that freeing ourselves from aging family members and relatives is a general trend in our society. It is untrue that those of active age do everything in their power to get rid of their parents. Who would not benefit greatly from the presence of a retired grandmother or grandfather in today's rapid pace of life, even if that pace was accepted only by virtue of necessity. Well, but living in one large family--if a large family can at all coexist in the pre-fabricated boxes of residential developments which we are told are modern and comfortable--it does make a difference if the retired family members contribute to, or alternatively, strongly diminish and consume the family income. And this is so only because most pensions are insufficient to provide for the retirees' own subsistence.)

The conduct manifested by the former workplaces of today's retirees could make a significant difference. Aside from a few exceptions, retired life is monotonous. But it could be made colorful if, for instance, former employers would offer off-season recreation to their former employees. An apparently insignificant gesture--but at least it would be a gesture ...

#### How Much Supplement To What Kinds Of Families?

A different subject: family supplements. More than half of the respondents felt that the costs of upbringing a child should be paid for "primarily by the parents, and to a lesser extent by society also". One-fifth of the respondents says that most of these expenses should be covered by the parents, but the number of those who settle with a 50-50 family/state share of contributions toward the upbringing of a child is also significant. The latter opinion is characteristic regarding families with several children, nevertheless the same group also expressed the traditional perception that stresses the exclusive responsibility of parents.

In spite of this polarization in opinion, the essence is that almost 70 percent of the respondents felt that family supplements should cover a larger share of the costs of child upbringing. And again there emerges a dilemma in the context of social policies: who should receive larger family supplements? Those who have many children? Single parents who bring up their child? Or everyone, who receives family supplement as of today, including families with one child only? Generalized views hold that those living under the most difficult conditions--i.e. families with many children and single parents--should receive larger family supplements than what they receive at present. It is interesting to note that almost half of the respondents who have one

child--a disproportionately large percentage as compared to the rest of the survey population--justified the idea that those living under difficult conditions should receive higher family supplements.

The TK's latest public opinion search regarding social policies took into consideration job placement difficulties as well as possible unemployment. Forty-two percent of those questioned--mainly young people at the beginning of their careers--responded by saying that "there are people in Hungary who have difficulty finding a job". This view assumes a diminishing significance as the age of respondents increases. It was the intelligentsia, and to a far lesser extent the physical workers who recognized job placement as a problem.

### Job Placement Difficulties

The researchers also wanted to find out the context in which job placement difficulties are being envisioned by various individuals. Most respondents mentioned the lack of appropriate workplaces. The term "appropriate" should be understood as a workplace in the immediate proximity of the respondents' residence. And only somewhat fewer respondents felt that only the vagrants, the wanderers, and those who avoid work were faced with job problems. A large majority does not recognize job placement as a problem even at the start of careers.

There are more clouds on the future horizon, however. Fifty-four percent of the respondents stated that one must count on facing job placement problems. The Budapest intelligentsia holds a more relaxed view in this respect--it is those who live and work outside of Budapest who count on substantially increasing job placement difficulties.

And this issue leads to the assessment of the possibility of unemployment. Forty percent of the respondents firmly stated that in the coming years there will be short-term and long-term unemployment. Once again the vagrants were recognized as the high risk group, but already in 1984 there emerged two important motives: the liquidation of enterprises and related dismissals, and reductions in workforce.

Not even three years have passed since a small-circulation periodical distributed among a tight group of professionals first called attention to the possibility of unemployment and detailed the related counter-active measures. The study evoked confused silence. At that point in time in Hungary we were simply unable to handle even the idea of unemployment. Public opinion at large may still be characterized by that confusion. As one of our earlier writings indicates, employment offices are incapable of maintaining accurate records of available manpower because surprisingly, so many do not admit to that office their being unemployed. (Persistence, pride? ...)

### Ashamed About Unemployment

All this is worth mentioning only because the TK researchers discovered a similar phenomenon, one that may be viewed only through an analysis of semantics. A majority of the respondents does not consider as unemployed those who become unemployed by virtue of the liquidation of their enterprise,

those who have been dismissed from their workplace and are unable to find a job, those embarking on a career, and those who are unable to find a position commensurate with their qualifications. Similarly, public opinion does not consider a housewife as unemployed, one who would like to find a job but cannot find one. As an aside we may mention that official terminology does not recognize the terms "unemployed" or "unemployment" either. Instead they are talking about "people who are finding new jobs" and those who "anticipate to find jobs" ...

In this context the researchers queried the respondents as follows: "suppose a workplace is being closed down and the workers are out of jobs. How should we provide for these workers?" Most respondents said that they should be assured of an appropriate job elsewhere. Only a very few held the view that those affected should have a job secured already prior to the closing down of the workplace, and even fewer believed that unemployment compensation and retraining were solutions, and alternatively, that securing a new job should be the individual concern of each affected person.

In the statistical allocation of responses the uniformly rigid rejection of unemployment compensation and of re-training is most remarkable.

After drawing a sketch of the various aspects of social policy and of related public views, the researchers attempted to isolate various thought-processes that characterize public opinion. There are some who may be classified as restrictive types. These are the most stringent ones, because in emphasizing the prevalence of accomplishments they find little excuse for the sanctioning of social assistance to even the narrowest group of indigents. In contrast to this group there are those willing to level on the basis of societal considerations even if to the detriment of the principle of achievements. The other two opposing types are the traditional "paternalists" who believe that one should help those who deserve it. The "welfare" types also stand on grounds of achievement principles, these, however would not argue the need for the delivery of social assistance to social strata which are in the active period of their lives yet found themselves disadvantaged. It is perhaps interesting that respondents with higher educational qualifications who enjoy favorable financial conditions could be classified as "restrictive" or as "welfare" types. Those having less favorable financial conditions were either "paternalists" or "levelers".

In other words, doing justice that pleases everyone, i.e. following a rational practice of social policies, would be difficult even if the social service delivery system would be made to function in a more unified, less sporadic and more consistent manner. The fact that the needs and recommendations expressed through the survey will not be abided by social policy-makers raises concern. But before beginning to worry about the seemingly hopeless uncertainties of policy-makers, we should realize that they too know that the above described views of social policy are the residual remnants of a practice that was hasty, and even in our days is overly forced, one that disregards the rationale of economics. And this is one reason why renewal, the reform of social policies, including institutional reform cannot wait much longer.

## PRIVATE ENTERPRISE PROBLEMS DESCRIBED, TERMS DEFINED

Budapest FIGYELO in Hungarian 16 Apr 87 p 6

[Article by Maria Demcsak: "Equal Conditions for Competition"]

[Text] Official policy statements continually confirm the need for private enterprise, yet mutual distrust between entrepreneurs and economic management has not decreased. As a matter of fact it appears to have gained strength these days. The private sector feels that it has been cheated. The positive stance taken at high levels assumes a contrary meaning at lower levels of implementation. Tax and social security burdens continue to increase year after year, and the unfavorable special tax that has a discriminatory character is higher than ever.

Countless official forums and documents have dealt with the fact that managerial disturbances relative to the private sector stem largely from ideological confusion, and in part from human envy disguised as ideology. Neither the existence of a private sector, nor the role of enterprise in a socialist economy is clear-cut. (This confusion was reflected in the broadly based Fall, 1986 debate on the pages of FIGYELO.)

In light of economic and legal regulatory gaps and contradictions, the impatience and sensitivity of small enterprises is understandable. We are at the threshold of tax reform which is bound to produce great changes in the financial condition of small enterprises. This, in turn will influence the choice of organizational forms.

What should be their guidepost? What can small enterprises count on in the future?

An excellent opportunity presented itself last week for raising these questions and receiving answers. A three-day conference billed as "The Role of Small Enterprises and Undertakings in a Modern Economy" was jointly sponsored by the Scientific Association for the Machine Industry [GTE], the Scientific Society for Organization and Management [SZVT] and the Small Business Section of the Hungarian Chamber of Commerce. University department chairman professor dr Tamas Sarkozi addressed the controversial issues that attend the legal

framework of small enterprises, and related urgent tasks. At the outset dr Sarkozi clarified what may and what may not be viewed as an enterprise. Economic work collectives [GMK], partnerships and civil law associations [PJT], small cooperatives, as well as the state-owned small enterprises are independent, truly small enterprises. State-owned small enterprises operate like small cooperatives. The traditional small tradesman, small merchant, enterprise workers' business partnerships [VGMK], specialized groups and contractual operations are treated differently. One must clearly separate from small enterprises the autonomous infra-groups, because those are not truly enterprises. (This, however, does not mean that such groups must be abolished.) Regarding specialized groups linked to cooperatives the aim is to strengthen their features of association.

The most problematic aspect of present regulations is the total misunderstanding of the status of certain private sector organizations as legal persons, according to Sarkozi. The socialist sector today cannot be distinguished from the private sector in their respective contexts of being legal persons. A legal person is no more than an organization viewed separate from its members. Recognition of GMK-s as legal persons would unavoidably call for capital accumulation that cannot be distributed among members, and this would hardly be favored by GMK members.

The purpose of economic policy is to integrate the private sector into the economy. This purpose is being fully contradicted by prevailing practice, since there are no forms of association which would enable the linking of the state sector with the private sector. Domestic small enterprises cannot establish loose relationships with foreigners. The institution of unlimited and universal liability simply places an obstacle in the way of capital investment. Small enterprises should be given an opportunity to accept limited risk, and to establish organizational forms that limit their liability.

Present rules prohibit the formation of limited partnerships. A limited partnership is no more than an organizational form in which general partners are liable to the extent of the entire capital investment, while limited partners are liable to the extent of their share of capital investment. This amounts to no more than a recognition, a sanctioning of the silent partner relationship. Such recognition and sanctioning of course, would acknowledge the right to secure income without work, which would then require the development of an appropriate control and taxation mechanism.

To bridge the problem that stems from the misunderstood concept of the legal person, GMK's should be permitted to become part of limited liability companies or of stock corporations. Ten to twelve flexible forms of association would permit the modern, monetary regulation of small enterprises.

This was not the first conference in which new forms of association were discussed, of course. Dr Sarkozi was confident regarding the preparatory stages of the new legal provisions. One fact must be recognized clearly, however: the independent, individual regulation of small enterprises cannot become a reality without a comprehensive modernization of economic management.



## SMALL VENTURE OPERATIONS DISCUSSED

AU231103 Budapest NEPSZABADSAG in Hungarian 10 Apr 87 p 5

[Interview with Peter Simsa, chairman of the small venture department of the Hungarian Chamber of Commerce, by Katalin Bossanyi: "Being in Competition"—date and place not given]

[Excerpts] "The Role of Small Companies and Ventures in a Modern Economy" is the title of a 3-day conference that began yesterday [9 April] in Budapest at the headquarters of The Trade Union of Workers in Agriculture and Forestry, where almost 300 small entrepreneurs, the representatives of research institutes and interested people from large enterprises are present. The conference has been organized by the Academic Federation of Engineering, the Hungarian Chamber of Commerce, and the Academic Society of Organization and Management.

The number of the various small ventures—companies with civil rights, business partnerships, enterprise workers' business partnerships, specialized groups, and small cooperatives—increased to more than 41,000. The rate of increase was 11 percent, while the rate of terminating business operations was 6-8 percent. According to the data given by the Supervisory Main Department of the Ministry of Finance, the net income of small cooperatives went up from 20.2 billion forints to 64.6 billion forints, and the final balance went up from 3.5 billion to 7.8 billion. The net, that is taxed, income of other small ventures that are not independent legal persons increased by 4.6 percent. This was in addition to a 12.7 percent average increase in price income per entity. For analysis purposes, one has to take into account that in the same period taxation increased by an average of 8 percent.

[Bossanyi] Despite the good results you have had at the Vertikum Small Cooperative, of which you are also the chairman, you are feeling somewhat low economically. How far does this condition apply to small ventures generally?

[Simsa] Unfortunately, this feeling can be considered a general one. By now most of the small entrepreneurs have become somewhat insecure. This is not so much the result of stricter economic regulators and constantly increasing tax burdens since these could be acceptable if their effect were consistent. Rather, it is the result of these measures being discriminatory. One of the best examples of this is the extra tax, which has been disadvantageous to the

great majority. This tax was supposed to curtail enterprise workers' partnerships, but other small cooperatives were hit by it without differentiation. At the same time, disregarding the principle of neutrality in competition, this tax did not affect private tradesmen, retailers, and agricultural cooperatives. As a result of this and other measures, small entrepreneurs feel their existence endangered. More precisely, contrary to declared principles, they do not feel they are necessary for society and the economy.

[Bossanyi] How often are businesses subject to financial control?

[Simsa] At the beginning of small ventures, there was an unwritten agreement with the tax authority that, in order to help development, less control would be carried out in the first 1-1 and 1/2 year. However, this was not kept. In addition to tax controllers, there have been regular checks by the price office or the local council, and frequent checks have also been done by the people's controllers. I consider these steps to show a lack of economic and social tolerance and an action of impatience toward the development of various economic processes.

[Bossanyi] These checks and disagreements are mainly due to the fact that businesses are assumed to have an astronomical income. What is the truth here? And in any case, what are entrepreneurs spending their money on?

[Simsa] I again refer to the documents of the Ministry of Finance: Last year the average untaxed incomes of small ventures ranged between 3,500 and 93,000 forints. If you look at the business outputs, I would not even say the top level was "astronomical." Especially because taxes progress very fast above a certain level. This is the main reason, and not the entrepreneurial willingness, that small ventures switch over to short-term interests and invest only part of their income in their businesses.

In my view, if the economic policy wants to increase competition in the future and to increase the number of market forces, then it must create a real neutrality in competition, and do this in addition to formulating tax rates according to the operational sizes of ventures.

[Bossanyi] When in competition chances are similar, this also requires an organizational neutrality. It seems, however, that from the viewpoint of entrepreneurs, the present organizational structure is rather under strain.

[Simsa] Indeed, if you look carefully at an organizational structure consisting of seven steps and apply it to private tradesmen and large enterprises alike, then this system would justify the establishment of a new organizational category. This category would be similar to a limited companies and general partnerships and would be located between group ventures and small cooperatives. This category would eliminate the shortcomings of the present organizational system, which at the moment still hinders private persons entering into joint ventures with legal persons. Although it would be precisely in these communities where innovation pools could be created as R&D organizations around large enterprises, which could become the basis for a more efficient technological development, with a more sensible labor distribution.

## CONFERENCE ON SMALL VENTURES DISCUSSED IN ARTICLE

AU221418 Budapest MAGYAR HIRLAP in Hungarian 13 Apr 87 p 5

[Article by Ilona Kocsi: "Are They Still Poor Relations? A 3-Day Conference on Small Ventures--They Are Not Supplementary and Secondary"]

[Text] "The future of small ventures depends on the direction in which the continuation of the reform is continued. We have to decide whether we want a modern economy. If we do, small-scale organizations will play a considerable role in such an economy. What is it that gives capital its nature, where does property cease to be socialist and become capitalist?"--these and similar conclusions and questions were voiced at the 3-day conference on small ventures held last weekend. The atmosphere at the conference was rather high-pitched, but that was because many people felt that their existence as small entrepreneurs was threatened as a result of the ever increasing taxes....

Small ventures are the poor relations of the Hungarian economy--one of the speakers said. The "parents" accept their existence, but they often mistreat them and very rarely pet or pamper them. The countervalue tax [ellenertekado] that was imposed only on certain forms was mentioned most frequently as an example of the above-mentioned mistreatment, and all speakers called this discrimination. On top of this, ever since this tax was imposed, its size has been repeatedly increased. There is some hope in the fact that, according to the news, this type of tax will cease as of 1988.

Do small-scale economic organizations have a future? The uninitiated would believe this to be a useless question, since practice and the experience have given a clear, positive answer to this question in the Hungarian economy, too. There has been a sudden increase in this economic sphere since 1982 and there is no other area of the economy with such spectacular development and clear success. According to some estimates, today half-a-million people are active in the second economy, and if we also count family members we can even talk about 1.5 million people. It is also true that a lot of criticism is also directed against these organizations. The financial or legal authorities often claim irregularities and sometimes even crime in the activity of these organizations, and economic politicians [gazdasagpolitikusok] complain that entrepreneurs do not behave as real entrepreneurs should, that they do not invest capital in the venture, and that they want to get rich in the shortest possible

time. But the majority of these accusations are also true of the state sector. Is this what makes the future insecure?

Yes, this does, too; but the causes hidden behind the explicit declarations also contribute to this feeling. Why are small ventures still called the second or ancillary economy when many people work here as their main job and risk their property? And they are not working here to supplement their income through a second job. The old names prove that an old concept continues to exist, although progress would definitely require another approach. Many people claimed--among them Tamas Sarkozy, professor at the Karl Marx Economic Science University--that the strict separation of forms of property is an unnecessary hindering factor. A uniform economy could be created precisely if possibilities arose for private ventures and state enterprises to establish joint ventures, or even joint firms. Why could an enterprise workers' business partnership not be transformed into an association with limited responsibility? Legal regulations do not allow this at present. However, greater investments are needed in order to make ventures become real ventures. But unlimited and corporate responsibility represents a disproportionally high degree of risk, a risk that goes beyond rational limit. "This is a primitive means of credit protection that hinders capital investment. The Hungarian economy needs solutions that limit risk and responsibility."

Of course, the possibilities open to capital investments are not clear-cut either. If one joins a small venture as a member and also invests money in the venture, then this is a praiseworthy decision. If, however, one does not actually join a small venture but remains only a "silent partner," that is, one lends money for interest or financial returns, then this is already a punishable act. Therefore, many people take up alibi work, for example cleaning, just to avoid being punished by those who strictly control legality. Does a small entrepreneur exploit people? In his lecture, university lecturer Peter Szirmai brought up extremely sensitive questions, signaling by this that it would be the task of ideologists to provide theoretically well-founded answers to the questions put by practice. If an entrepreneur participates in production himself, then he is not an exploiter, and if he only directs production, then is he an exploiter? What number of employees lead to this dilemma? And what if the members of a small venture are not employees but partners? Is there no exploitation then? How many pigs make capitalism? Three, six, sixty? There is some kind of background somewhere, because regulations limit the number of employees or, for example, the number of beds in a small hotel. Is it possible to exploit a little and a lot? But if employees are exploited, then why do they want so much to join the workers' business partnership? Why do they not go into the socialist sector?

The extreme but suggestive questions and examples aimed to illustrate that small entrepreneurs were craving for a clear-cut position and clear-cut regulations. They would go into ventures and would also invest money, but they fear that they will cross the invisible boundary where they will be called capitalists. And then they had better limit their activity and their desire to grow.

Of course, and this was also mentioned by many people at the conference, the small ventures' choices are really determined by the large ventures. If venture and risk continue to be mentioned mainly in connection with the private sector, there will hardly be chances for further development. If the major part of the economy is ruled by traditional organizations that are unable to become flexible, it is impossible to maintain a small island on the long term, an island characterized precisely by flexibility and a readiness for ventures. As a rule, the larger ventures strangle the smaller ones. If small ventures operate only beside large-scale organizations and the mobility and possibilities of the two spheres are strictly delimited, all this cannot be a good, lasting solution. The same scope for maneuver should be given to large and small ventures, because they are part of the same economy.

The protection of interests still has not been ensured--someone mentioned--and this would be important, mainly because through this the private ventures would be able to better integrate themselves into the economy. After all, these small firms can be as socialist as the big ones, since they operate within the same economic milieu. It is a pity to force them to the periphery of the economy. Contrary to all the preliminary forecasts, mass production did not force small-scale production and special professional skills out of the market in the developed industrial countries either. Smaller but very modern economic units are able to operate efficiently there. It is not by accident that the large firms surround themselves with hundreds of small ventures. Without this, quick and flexible reactions and efficient production are inconceivable there. Why would things be different in Hungary?

As for the future, not everyone at the conference was pessimistic. Janos Palotas, co-chairman of the Hungarian Chamber of Commerce, for example, firmly declared the following: "The future of small ventures is economically and politically guaranteed. Although I myself do not see how, this is still an economic policy necessity." Or let us quote Anna Szakacs, head of a department at the Finance Ministry, who said that small ventures might review a new impetus with the introduction of the tax reform next year. The strict separation between the private sector and the socialist sector will cease because--although with some special differences--the same regulations will apply everywhere.

/9274

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## STATE FARM, AGRI-COOP WORKERS' EARNING SINCE 1980 COMPARED

Budapest MAGYAR MEZOGAZDASAG in Hungarian 4 Mar 87 p 3

[Article by Gyimesi and Kecskes: "Wages and Earnings"]

[Text] In the Sixth Five-Year-Plan, the efficiency of enterprise management, the possibilities provided by the regulatory system, and the labor supply of the farms worked jointly in determining the wages and earnings. The increasingly stringent economic regulators, the tax burdens on the enterprises, the increasing production costs, the decreased supply to the labor force, the tightening of money supplies to be used for enterprise development were not to the advantage of enterprisal interests in wage and earnings management.

Although the new earnings regulations, in effect since 1 Jan 1985, offered the possibility of a choice to agricultural enterprises, nevertheless, the desirable harmony among production, size management of the labor force and earnings did not fully materialize. While the outflow of wages and earnings--similarly to the other economic sectors--increased beyond the projected rate, production and the enterprisal yields derived from it (the sum reduced by the taxes on the profit) were below expectations. However, there was a balance between the specific production indices calculated at current rates and nominal earnings.

#### Increasing Differences

Among the two principal large-scale economic groups in agriculture, the volume of wages and income between 1981 and 1985, on the average, underwent a more moderate increase in the agricultural cooperatives (5.1 and 6.5 percent, respectively) than in the state farms and combines where the volume of wages increased by 6.8 percent and of the incomes by 7.3 percent.

The increase in wages and incomes in the agricultural enterprises was accompanied by increases in taxes paid in proportion to the wages and budgeted as expenses, on the one hand, and by the increased tax burdens on the realized profit, the increased taxes associated with income regulation, on the other hand. The income regulation taxes (combined sum of the wage development

payment, production cost and share tax, and the progressive profit tax) increased from 112 million to 460 million in the state farms and from 250 to 2,033 million in the agricultural cooperatives during the five years.

The social security contribution, budgeted as expense, increased from 1.1 billion to 3.0 billion forints in the state farms and from 3.8 to 10.5 billion forints in the agricultural cooperatives between 1980 and 1985.

The average wages and average incomes of workers in their main occupation also show smaller or larger variations and scatter among enterprise groups, fields of activity and counties. This stems not only from existing differences in production level and technical-technological equipment but also from the ratio of principal activities within the agricultural enterprises, the correct or incorrect selection of the newly introduced income regulation options and the elaboration of work force management and structure.

Among workers in the two forms of enterprise, the existing differences in average wages and average incomes were more moderate in the early 1980s, nearly half of the 1985 figures. In the state farms and combines, the average monthly wage was 484 forints higher while the average monthly income was 515 forints higher than in the agricultural cooperatives, in 1985.

The specific amount of non-wage payments (shares)--computed per 100 forints in wages--increased by 50 percent in the state farms and, more modestly, by barely 20 percent in the agricultural cooperatives during the time period under study. For the two enterprise groups, this index still remains larger in the cooperatives but the 1.34 forints difference, paid per 100 forints in wages in 1980, was reduced to merely 21 fillers by 1985.

The difference between the average wage and income conditions of blue collar and white collar workers underwent a gradual increase from 1980 on, in favor of the white collar workers. Among the physical laborers employed in agricultural enterprises, there are fewer better qualified and, consequently, higher paid workers than in other branches of the economy. In both enterprise forms, physical laborers received about 70 percent of the income of white collar workers.

#### White Collar and Blue Collar Work

In the two enterprise groups, there were greater differences between the income of white and blue collar workers in the state farms and combines in spite of the fact that the agricultural cooperatives have a lower ratio of skilled workers among their physical laborers. In the latter, hardly more than one-third of the physical laborers are skilled in contrast to the 44 percent ratio of skilled physical workers employed on state farms.

The average monthly earnings data of the white collar workers according to their position reflects the differences among the individual levels of management and staff positions. The earnings of managers primarily responsible for the success of enterprisal management increased significantly more than of middle and lower level managers. During the period under study, the income of people in higher leading positions increased from 7,818 forints to 13,313

forints (70 percent) in the state farms and combines and from 6,908 forints to 11,057 forints (60 percent) in the agricultural cooperatives. The earnings of middle-level managers are about two-thirds of the earnings of high level managers. This difference can be explained by the steadily increasing amount of bonuses which can be given to those in leading positions since the wage differences used to be much smaller.

The increase in the earnings of the administrative and managerial staff of agricultural cooperatives occurred approximately at the same rate as for chief managers. In state farms and combines, however, the increase in the earnings of this level of workers fell below, by about 7 percent, that of the chief managers.

The wage and earning conditions of the members and employees of agricultural cooperatives underwent a peculiar change. During the 1970s, compared with that of the members, employee earnings were characteristically higher. The difference amounted to as much as 10 to 15 percent. Since 1980, the earnings of employees increased more moderately and, as a result, the process that characterized earlier times was reversed. Already by 1985, the active members were earning more, by about 10 percent.

In the state farms, combines and in the agricultural cooperatives--within and also among the enterprises--there was an increased differentiation in earnings --and, within them, also in bonuses dependent on productivity. The difference between individual earnings increased year by year. The spread is especially wide in the agricultural cooperatives where, derived from the different natural endowments and productions structures of the enterprises, there are also great differences in the level of management quality.

In the agricultural cooperatives, the difference between the highest and lowest annual earnings was nearly 72,000 forints; it was somewhat more moderate at the state farms and in the combines.

#### Labor Force Structure Conforming to Natural Endowments

Wage expenditures and the uniform share basis, introduced since 1985, are the primary financial sources of increases in earnings. It has greatly promoted the independence of enterprises in the utilization of their financial resources and funds. However, at quite a few agricultural enterprises, independence led to certain funds (for example amortization funds) being used for other than the designated purposes. These were used to increase their workers' earnings, in some cases to finance the income tax, thereby declining even a minimal chance for development and modernization. At the same time, the enterprises were encouraged last year to tie the payment of wages and earnings to their achievements by the tightening of income regulation options.

In the first year of the Seventh Five-Year-Plan period, compared with 1985, there was a further decrease in the number of people employed by both enterprisal forms and a moderation in the amount of wage and income outflow. Based on preliminary data, at state farms, there was an average increase of wages by 6 and earnings by 6.5 to 7 percent. The same data are a few tenths of a percent higher for agricultural cooperative enterprises. It may be expected



that the differences in income among the individual forms of enterprises will become more moderate in the subsequent years of the plan period; within a given enterprise, however, the spread of worker incomes may be further widened. The income regulation option chosen thoughtfully as the most appropriate one, given the characteristics of an enterprise, and a labor force structure that conforms to the enterprise profile are the primary conditions for effective production by the enterprise.

2473

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## FASTER DEVELOPMENT OF AGRICULTURAL PRODUCTION DISCUSSED

Budapest PARTELET in Hungarian No 2, Feb 87 pp 70-75

[Article by Gabor Magyar, deputy minister of the Ministry of Agriculture and Food Industry]

[Text] The food industry fulfilled its Sixth Five-Year-Plan in spite of the fact that the ecological and economic conditions of production turned out less favorable than expected. Thanks to the fulfillment of the plan, the population's food supply was insured and the export sector contributed somewhat more than planned to the increase in foreign currency income. It is true that, because of a decrease in prices, this was only possible by increasing the quantity of exports. The sector increased its contribution to the national income primarily through increased and more effective production.

In spite of fulfilling the goals of the Sixth Five-Year-Plan period, problems and tensions have also arisen in some areas of the food economy. The increase in production and improved effectiveness in the large agricultural enterprises was not accompanied by increased income. During the past five years, the prices of industrial materials and equipment, used in agriculture, increased by 32 percent while the prices of agricultural products increased by only 22 percent, resulting in a decreased profitability of their production. The total of the various subsidies was not increased while, at the same time, the budget payments of agriculture were doubled. In the final analysis, the incremental increase in income produced by the enterprises was diverted.

The gradual decrease in profitability made the fate of certain sectors, and the narrowing of investment resources their development, questionable. In some of the enterprises, the replacement of used equipment fell behind primarily in the area of basic activities while, in animal raising, the "liquidate it" approach became prevalent. As a consequence, already by 1985 there was a decrease in animal stocks and animal goods production. Our situation was also made more grave by the fact that industrial production, which earlier had undergone a dynamic development and had supplied a decisive part of increased profits, was also slowed down at the agricultural enterprises.

In addition to the tight economic environment, the problems were also increased by the drought which had affected agricultural production for four consecutive years. During the earlier years, it was mainly the middle of the

Great Plains that was affected while last year--although to a different extent--the drought was extended to include also the Transdanubian and Northern parts of the country. Drought damage afflicted mainly crops but the consequentially higher price of fodder also increased the costs of animal raising.

The years of drought and difficult agricultural conditions also had an unfavorable effect on the actions and approaches by the chief managers in agriculture. The relatively young but already highly experienced specialists found it difficult to endure the sudden halt in the formerly dynamic progress, the lack of success caused by the momentary decline. The discouragement was fundamentally manifested in the slackening of technological discipline.

Because of the drought that has afflicted agricultural production for four years straight, the world market situation that has become more unfavorable year by year, and the increasingly difficult economic conditions, the question arose in many minds whether the food economy will be able to fulfill the goals of the Seventh Five-Year-Plan which was given statutory force based on the resolution of the XIII. Party Congress. In more refined wording, the question is whether agricultural production can be put back on the track of the Seventh Five-Year-Plan. The answer is an unequivocal yes, however, its realization requires great effort.

Thus the Seventh Five-Year-Plan for agriculture and the food industry started from a rather unfavorable base. There was a timely recognition of the undesirable trends by the government and certain counter measures were taken through the framing of regulations. In the interest of relieving tension and accomplishing the yearly goals of the plan, considerable incentive measures were taken in certain areas. In order to improve the profitability of the cattle sector, the producers are receiving milk-price support. In the swine sector, the large scale and small scale purchase price was raised. To raise interest in the production of broiler chicken, a periodic surcharge was introduced. In order to counteract the cost increases, the purchase price of coleseed and spice paprika was raised and, in corn production, a tax benefit based on crop acreage served to enhance production incentives for the enterprises.

In response to the incentive measures, a positive balance characterized the relationship of the sector to the budget, for the first time since 1979. Measures were taken to improve the situation of poorly endowed enterprises, to promote the industrial supply activity of agricultural enterprises and also to activate developments.

In response to last year's regulatory modifications--in spite of less favorable weather than expected--agricultural production has moved away somewhat from its 1985 low point. Although the gross production value of the agricultural sector is behind the planned value for 1986, nevertheless, it will be higher than the year before. During the past year, supplementary activity advanced faster than basic activity although it did not reach the planned level as yet.

With the exception of rice and sunflower, every crop was damaged by the prolonged drought, most extensively the grain crops. Production losses are significantly lower for corn while rice and sunflower benefited outright from the warm, sunny weather. Vegetables sustained moderate damage. Grape and fruit crops were damaged mainly by the early spring frosts.

In animal raising, it was possible last year, in part, to halt or to slow the decline in stocks that began in 1985. Nevertheless, the unfavorable trend continues in certain sectors. For example, in cattle raising, the decrease in total cattle and cow stocks was slowed compared with last year--milk production is expected to meet demands while meat cattle production will certainly continue to decline. Compared with the year 1985, there was a significant increase in swine stocks and there was also a dynamic increase in fowl production. During the first half of last year, there was a thorough review of sheep raising and subsequently measures were taken although their favorable effect cannot be felt as yet.

In organizing this year's production, we must endeavor to provide the conditions for achieving the mandates of the Seventh Five-Year-Plan period. We can achieve this only by a circumspect definition of the work to be done, in tune with economic demands, and by laying a realistic foundation for the goals of sector development. The demands from agrarian production remain unchanged: the food supply of the population should be uninterrupted; international obligations should be fulfilled; the possibilities of the convertible market should be exploited; quality factors in a broad sense should result in an improved income producing capacity.

In 1987, the agricultural sector must achieve a 4.5 to 5.5 percent production increase. In plant growing a more forceful, in animal raising a more modest growth is needed. The enterprises must develop their complementary activities at a more rapid rate than last year. In the food industry, production increase must be projected sector by sector, adjusted to basic material production and in tune with demand. In both sectors, we count on a net production that exceeds last year's gross production.

In plant cultivation, the advancement of grain production continues to be a special production policy task, to produce the 15 to 16 million tons of grain. Consequently, the area seeded with corn must be increased by 30 to 40 thousand hectares, compared with the area harvested last year, in order to achieve a 50 to 60 percent ratio between the amount of bread grain and corn production. Sunflower is the third largest crop area where we count on a cultivation area and average yield that correspond to last year's. In sugar beet cultivation, the supply of domestic demand is the goal. A decrease in the cultivation area of fibrous and mass fodders, and an increase in their level of production is expected.

With respect to horticultural products, fresh vegetables, in addition to satisfying domestic and export demands, the needs of the processing industry must be more extensively supplied this year. Large enterprises, which are better suited for mechanization, should cultivate primarily the basic products for the canning industry while small growers should cultivate vegetables which require more extensive manual labor and smaller areas.

In the grape growing and viticulture sector, the goal is to maintain last year's production level. When planting grapes, the large enterprises should strive for quality improvement because this is the only possible basis for increasing the average yield and marketing security. The grape growing and wine enterprises should initiate the development of marketable products and changes in product structure. They should pay more attention to the making of lower alcohol content and alcohol-free products.

In fruit cultivation, accomplishment of the planting spelled out in the medium range plan and modification of the unfavorable variant structure which evolved in previous years is the task. The long range requirements of the domestic market and the processing industry are about 1.6 to 1.7 million tons of total product including a more favorable ratio of apple types. For species with high manual labor requirement--hard kernel fruits and berries--the increased integration of small enterprises should be encouraged.

In animal raising, the plan projects an increase in dairy production and a moderation of the decline in meat cattle raising. Correspondingly, the cattle stock will undergo a small increase while a more dynamic growth is desirable in the high-meat-content breeding stock. In swine raising, we expect a continuation of the favorable process that began last year and the goal is a noticeable increase in meat-swine production. The growth in the breeding stock and improvement of its quality is also promoted by placing 80 to 100 thousand pregnant sows into small enterprises. In fowl raising--in view of the projected domestic and foreign market demands--we plan a continued dynamic production increase although more moderate than last year. In the sheep sector, as a result of the measures taken, we expect a turn-about in growth with respect to both quantity and quality.

In the interest of fulfilling the goals of the current year, several professional and economic measures have been and will be taken in order to provide for the material and technical-biological production requirements as well as for increased enterprisal and personal incentives.

Fortunately, the production of the biological foundations required for plant cultivation--species, hybrids, seeds--was not impaired by the drought and, consequently, they are available in sufficient amounts and in good quality to the enterprises. The demands can be fully satisfied with the exception of a few of the most recent variants.

For the increased production tasks, through socialist and World Bank acquisitions currently in progress, the machine procurement funds for enterprises will be more favorable than last year, making it possible to satisfy their needs in a more differentiated manner. Agricultural enterprises which do not have enough money will be allowed, through a governmental decision, to rent machines valued at 350 million forints from the Agrokrer enterprises.

The first of the World Bank programs, the intensive grain production program, was completed, and was accomplished at a rapid rate, last year; the plant cultivation development program, encompassing the development of several

sectors, was started this year; it provides the possibility for advancing the mechanization and technical-technological level of various field and vegetable crops, melioration, and liquid chemical fertilization.

The chemical fertilizer use of the enterprises was stagnant in 1986 and, according to the calculations, the utilization of chemical fertilizers, measured in terms of the active ingredients, was about 400 thousand tons below the planned amount. In addition to the drought, the deleterious practices of soil restitution, which evolved mainly because of financial constraints, are also responsible for last year's crop yields having fallen below planned levels. For crop production to be returned onto the track of the Seventh Five-Year-Plan, one of the essential requirements is the management of nutritives as well as a moderate rate of advancement in melioration. Where the conditions are satisfactory, the enterprises combine irrigation and rice planting as well as modernization with the melioration. This year, by expanding irrigation, production security must be provided at a higher level than before. In this context, the initiative by the KITE [Corn and Industrial Crop Growing Cooperation] of Nadudvar, involving irrigated corn growing, can be considered very promising.

In order to improve the profitability of crop and vegetable growing, primarily we did not increase the state purchase prices but rather we lowered the price of chemical fertilizers, one of the most important means for production increase, on the average by 11 percent. The same goal is served by the support provided for lime application and melioration investments. An incentive for expanding the storage area is provided by lowering the stock-piling tax in the case of chemical fertilizer and grain storage construction. The measure whereby the per hectare tax allowance was increased from 800 to 1,000 forints is aimed at increasing the area seeded with corn. Enterprises which plant the promoted variants of apple are also receiving state support.

In animal raising, the 1986 modifications in regulations proved to be sufficient merely to halt the unfavorable processes but not to cause a production upswing. Therefore, this year's measures of an economic type--raising the price of milk, meat cattle, fattened swine, meat chicken and wool, state support for investments in machine equipment and for the development and modernization of animal raising establishments--serve to improve the profitability of production, to provide for greater initiatives in development, primarily in technological modernization, to provide financial recognition for the work done under unfavorable conditions by laborers on animal farms, and furthermore, to improve the production situation on household plots and in subsidiary establishments. This year's measures of an economic type and regulation modifications were published at the end of July last year in order to give the agricultural establishments time for preparations.

From 1 January of the current year--in view of the unfavorable labor conditions--workers employed in the cattle, swine and sheep raising, and fishery sectors can be given a workplace bonus by the enterprises. The bonus serves as a better financial recognition for physical laborers who work unusual shifts and for managers directly supervising their work as well as for the relaxation of wage tensions appearing at these workplaces.

The measures taken in the interest of greater profitability in animal raising are also an incentive to small producers for raising animals. Raising the price of animals and animal products--because of their large proportion in small-scale production--is increasing their incomes more than the average. Their willingness to raise animals is certainly also helped by the fact that the limit on the tax free sale of animals is to increase from the current 150 thousand forints to 300 thousand forints.

From last year's central regulations, the authorities expected that the enterprises will develop greater momentum in the advancement of production. The situation, also confirmed by some of the above data, shows that this did not occur in every desired area and the income producing capacity increased in only some of the enterprises. This also indicates that the majority of the enterprises are having financial problems. Even the number of those enterprises is decreasing which had been steadily among the leaders of the pack in earlier years while many among the average managers can not even simply reproduce their results.

The more recent central measures certainly serve the further resurgence of production but their favorable effect will be notably felt only 2 to 3 years from now. Naturally, the economic situation, management circumstances and physical endowments of the enterprises are greatly varied. It follows that overcoming the difficulties and leaving behind the problems as soon as possible cannot be conceived without a critical evaluation of the situation of the enterprises and a targeted definition of the tasks. The authorities kept their material resources and the interests of the economy in mind when developing the conditions for management of the enterprises, but it is mainly up to the local managers how they exploit them. It is true that not all enterprises have enough money to buy a sufficient amount of fertilizer, obtain machines and start with some larger construction projects but the amount of money to be spent on production development--in view of the central measures--is not reduced but is increasing. This increasing sum should be spent everywhere on what provides the fastest and highest returns.

The level of agriculture in our country can even today be safely compared with that in many capitalist countries. It is a mistaken belief to conclude from the decrease in agricultural production over the past two to three years that there is no need to increase agricultural production. Such and similar utterances were unequivocally answered at the November session of the Central Committee where it was recommended that the 1987 agricultural production be increased by 4.5 to 5.5 percent and, in subsequent years, the development projected in the Seventh Five-Year-Plan was deemed desirable. These were looked upon as goals in spite of the difficulties with marketing abroad. It cannot be debated that, hearing and reading about the difficulties involving agricultural product export, when it comes to developing the enterprises, the managers of many agricultural enterprises look at the characteristics of foreign markets as they decide how much to produce from the individual goods, which branches to develop more forcefully, etc. It is correct to take into account foreign market demands, but this should be done not with respect to the amount of production but in the interest of better marketing, that is, improving quality and expanding the selection of goods.

It is true that the enterprises had marketing problems for certain of their goods in previous years but, in more recent years, the government contributed much toward improved security of production. It spent large sums on the development and expansion of processing enterprises as well as storage and cooling capacities. The purchase of the products of both large scale and household enterprises is contractually assured and, therefore, production increases projected in their plans are in their interest.

In past years, there were problems with the maintenance of the balance in our economy--also for the agricultural enterprises mainly because of the decrease in their resources for development. There was a decrease in the income producing capacity of the agricultural and food industrial enterprises, and the production of certain goods declined. But is it not an indication of the vitality of the large agricultural enterprises that, in spite of the many problems, the income level of their members and employees was protected? This is a great accomplishment even if there was a slight decrease in the communal wealth of a few enterprises. Thus it is not by chance that the mood and well being of the agricultural and food-industrial workers is satisfactory. This is advantageous from the aspect of fulfillment of the annual goals because our economy can count on the workers in agriculture and the food industry. It must also be emphasized, however, that in certain enterprises the situation is untenable where the level and effectiveness of production are not increasing while the incomes are. It may well be that it is unpopular to mention this in front of the enterprises' workers but it must not be ignored.

The enterprise and workshop managers, and members of the party organization should let their voices be heard and they should strive to inspire, in their enterprises, a mood ready for action whereby the majority of the workers would respond with conviction to the greater demands. In addition to persuasion, several other tools are available to the enterprise managers for inspiring more disciplined and effective work habits. They should apply more boldly the proven method of material incentive and call to account more courageously the sloppy workers who shortchange the community. The employment and application of advanced technology cannot be open to debate. This does not belong within the purview of democracy at the workplace. They should appoint at the head of the worker collectives foremen who do not allow undisciplined behavior and require putting in the stated hours of work as well as intensive effort.

The decision by the government to improve the economic conditions of management and to provide a material-technical basis for production, furthermore, the ordinances by the ministry, are improving the production conditions at agricultural enterprises in the interest of providing a foundation for achieving this year's economic plans and fulfilling the Five-Year-Plan; but the enterprises must take advantage of these possibilities mainly in the interest of their members and workers.

2473

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## USEFUL BACTERIA IN ANIMAL FODDER TO FIGHT E-COLI

Budapest MAGYAR MEZOGAZDASAG in Hungarian 11 Mar 87 p 18

[Article by Jozsef Pethes: "Pro- Instead of Antibiotics"]

[Text] A new initiative was reported recently by the scientists, manufacturers and field experts at a conference held at the Monor State Farm. A bacterium, *Streptococcus faecium*, was the central subject of the lectures. We could already have heard and read about the use of this microorganism in fodder, mainly from foreign sources.

In Hungary, the "career" of the bacterium started only in 1983 when a joint Swedish-Hungarian enterprise was formed with the participation of the Monor State Farm, the Grain Trust, Medimpex and the Swedish firm, Medipharm. One of the important goals was the biological preservation of fibrous and mass fodders, activities which are documented by products such as Silaferm, Monosil, Monosil plus and Monomays. These preservatives contain only biological materials such as bacteria, enzymes and vitamins, perhaps also carbohydrates. Nearly all products contain the lactic acid bacterium called *Streptococcus faecium* which occurs in every animal species.

This microorganism decomposes carbohydrates into lactic acid and in turn the stomach pH is lowered. The low pH is not advantageous to an infectious, dangerous bacterium, *Escherichia coli*. Regrettably, most diseases and losses among young animals are caused by *E. coli*, prevention being the only defense. One method is to introduce *S. faecium* into the organism because this lactic acid bacterium reproduces faster than does *E. coli*.

According to statistical data, 1.6 to 3.9 million piglets succumb annually in our country. These are enormously high numbers! What causes these losses? Developmental anomalies, lack of milk, lowered viability, traumas and, in 35 percent of the cases, gastroenteritis, edema and enterotoxemia caused by *E. coli*. These diseases can be prevented mainly with feeding methods, by administering antibiotics with the feed.

The feeding of antibiotics has long been a controversial subject because the health of people is at stake. There are an increasing number of people in Western Europe who do not want to consume food products containing drug residues or chemical compounds. Stores selling health food products free of

drug residues are mushrooming; there is one already even in Budapest. An increasing number of countries restrict or oppose the feeding of antibiotics because this is what the market already demands. Japan, for example, by next year will prohibit the purchase of animals treated with antibiotics. Since Taiwan is significantly affected, it had contacted the Swedish Medipharm firm and they formed a mixed joint enterprise.

Is it possible that, sooner or later, the Hungarian firms and agricultural enterprises will also be forced by the market to use antibiotic-free fodder? At any rate, the Monor State Farm already took the first step toward feeding methods which protect the health of both animals and man. The bacterium producing plant was built in 1983 and its capacity has increased by 50 percent since then. The preparations containing *S. faecium* are manufactured at the grain industry's concentrate factory, in Kecskemet, fortunately in amounts increasing year by year. In addition to preventing the diseases caused by *E. coli*, these also further the growth of young animals and result in improved fodder utilization.

The Lactostarter piglet feed supplement is popular, 80 percent of it being used by household plot farmers. It is thought-provoking why its spread is less rapid among the large agricultural enterprises. Perhaps because most of them are pledged to some production system whose food supplements they buy. At any rate, the Agricultural Combine of Boly, after several years of observations and experiences, has switched to the Lactostarter feed supplement for piglets. *Streptococcus faecium* is the ingredient in Monospray which can be used to protect 2 to 3 day old piglets while Pigefermet can be fed up to an age of 100 days. Bovifermet is recommended for calves, also up to 100 days old.

Hopefully, the Monor conference will be followed by action since we are still at the very beginning of the use of probiotics. Technical equipment is needed for its production, new feeding technologies must be developed and it would also be good to listen to the practical experiences of several enterprises. Namely, there was no discussion involving the cost of these preparations and whether their use is in the interest of the agricultural enterprises.

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## PATENT TO TREAT MYCOSIS OF RUMINANTS DOMESTICALLY, IN WEST

Budapest MAGYAR MEZOGAZDASAG in Hungarian 11 Feb 87 p 15

[Article by Drs Pal Sutka and Zoltan Tresser: "Combating Fungus Infection of Ruminants"]

[Text] Fungus diseases occupy an increasingly important place among the animal health problems of large-scale animal raising enterprises. Next to the diseases caused by the toxins of fungi, the greatest problem is presented by mycoses (inflammations caused by fungi) involving the internal organs. Their pathogenesis is less understood, their diagnosis is rather difficult and they cause significant losses in large-industrial animal raising. This is especially true of diseases caused by members of the Candida family, belonging to the order of yeasts.

Candidosis, a disease caused by *Candida quilliermondii* and afflicting entire stocks, was first observed in ruminants in 1959. Its pathogenetic abilities were demonstrated earlier in individual cases of cattle abortions and inflammations involving the womb or the udder. In 1968, Dr Pal Sutka was the first to isolate the *Candida quilliermondii* fungus from the organs of breeding bulls examined in Hungary because of spermatogenetic disturbances. At the time, in the course of pathogenetic screening for infectious-type diseases, 59 bulls from 4 artificial insemination stations were examined and, among the 59, *Candida quilliermondii* strains were isolated from the organs of 35 breeding bulls sorted out for slaughter. In the afflicted breeding bull stocks, the principal effect of the disease was irreversible disturbances in spermatogenesis and, because of the thwarted breeding plans as a result of the rejected breeding bulls, it caused significant losses.

Done with the permission of the Ministry of Agriculture and Food Industry, the results of screening tests involving 5 enterprises in 2 counties revealed that, among the 211 cows selected for elimination because of abortion, infertility, persistent oestrus, agalactia and inflammation of the udder, 45 percent were infected with the *Candida quilliermondii* fungus. Among the cows found to test positive by the screening, the random mycological and histological tests, performed after disposal by slaughter, confirmed these results.

Based on the tests and on literature data, it can be stated that ruminants and man are the most susceptible to the infection produced by *Candida quilliermondii*. The candidosis of cattle and sheep is caused mainly by the ingestion of mass fodders infected with the fungus. A destruction and elimination from feeding of fodder found to be infected on the basis of laboratory tests on mass fodder, and occasionally on grain fodder, has been unattainable to this day. From the standpoint of human therapy it is noteworthy that, in the infected animals, meat and milk can also be occasionally infected with *Candida quilliermondii*.

### The Changes

Based on the results of epidemiological observations, the mycological and pathohistological study of the organs and attempts at infection, the symptoms and the pathogenesis of candidosis involving the internal organs of cattle and sheep, caused by *Candida quilliermondii* varietas *quilliermondii*, became known. In breeding bulls and breeding rams, in addition to excretion of the *Candida quilliermondii* fungus in the semen, often irreversible changes occur in the different organs (for example: orchitis, epididymitis, infarcts in the renal cortex, abscesses in various organs such as the liver, and inflammatory foci in the brain).

In bulls, prolonged spermatogenetic disturbances, and decreased spermium concentration and volume of the ejaculate can be observed, becoming aspermic later (the ejaculate contains no sperm). Special attention should be paid to the extremely great capacity of the fungus for spreading. Therefore, it can reach the most varied internal organs very rapidly through the blood stream. The development of local processes is dependent on the virulence of the fungus and the resistance of the organism. The survival of the fungus in deep-frozen semen stored in liquid nitrogen indicates that the infection is also spread by insemination. Particular attention should also be paid to the fact that treatment of the infected, diseased animals with antibiotics results in an increased severity of the fungal infection.

In cows, in the case of *Candida quilliermondii* infections demonstrated by immunobiological, mycological and pathohistological tests--mostly accompanied by definitely good general condition--the gradual development of the following changes can be noted: appearance of reproduction-biological disturbances, in spite of an optimal feed supply, in the form of symptomless oestrus, abortion, prolonged infertility and chronic inflammation of the udder; milk production disturbances: quantitative reduction of milk production, agalactic disturbances; in the red blood cells, there is an accumulation of protoporphyrin resulting in a decreased oxygen supply with the consequential development of metabolic disturbances.

### New Possibilities

Up until now, no specific *Candida quilliermondii* antigen was known that would have made possible the diagnosis of infection during routine veterinary examinations. This was made possible by a globally unique Hungarian patent which contains the biotechnological manufacturing process of such preparations

and the utilization of these products in the diagnosis, prevention and treatment of the fungus infection.

The patent was purchased by the Petofi producer cooperative in Dunavarsany exclusively for veterinary use. The contract signed with the discoverers includes the patent and also the marketing of the product. License to manufacture and market the product was bought by the Biove company operating in France, for the Common Market countries. So far it was registered and accepted in 12 countries: Canada, Australia, New Zealand, Japan, Great Britain, France, GDR, Netherland, Luxemburg, Belgium, Switzerland and the United States. Manufacture of the product was already started in France.

According to French studies, the extent of fungus infections is nearly identical with the Hungarian data. On one of the farms, a Holstein-Friesian cow with an 11-thousand liter genetic background proved to be infertile after three attempts at insemination; after treatment with the drug, 12 embryos were obtained 9 of which proved to be viable and transplantable.

The preparations, made by biotechnological methods, whose experimental production is currently in progress in the laboratory of the producer cooperative in Dunavarsany, make a rapid diagnosis possible. Infection with *Candida quilliermondii* is determined at the site, that is, at the animal raising establishments, by means of intradermal tests and in the laboratories, by means of the serological testing of blood serum samples.

#### The Advantages of Treatment

The economic advantages of treatment and the use of preventive measures are demonstrated in the following. The rejection ratio is decreased. In cows and heifers, the oestrous cycle becomes normal, there is a decrease in the number of abortions, the infertility ratio and the number of udder inflammations, milk production increases, the period between two calvings is shortened and the sperm index is improved thereby decreasing further expenses. The public health value of the milk is improved. In the breeding males, the spermatogenic disturbances of very valuable breeding animals cease and the sperm of infected animals becomes suitable for deep freezing again after treatment.

The use of these preparations is judged extremely important in the field distribution of another new biotechnological procedure, embryo transplantation. By decreasing the rate of infection in donor and recipient animals, the efficiency of embryo transplantations can be significantly improved. The Embryo Transplantation Agricultural Society--active since 1981 within the framework of the Petofi TSZ in Dunavarsany, which accepted the role of initiator for the introduction of embryo transplantation in large-scale agricultural enterprises--is also planning to start the experimental use of the preparations against *Candida quilliermondii* fungus infection in the course of its activities. According to results of available studies, the efficiency of the embryo transplantation method is expected to be increased by about 10 to 15 percent with the use of the new immunobiological preparations.

These are facts and possibilities whereby the relevant losses in animal raising can be considerably lowered and which justify the epidemiological survey of this fungus infection also on a global scale.

## ENERGY-SAVING MEASURES IN CHEMICAL FERTILIZER PLANTS

Bucharest REVISTA ECONOMICA in Romanian No 3,16 Jan 87 p 10-11

[Article by Gheorghe Manea, "Energy Consumption--A Criterion for Modernizing Chemical Fertilizer Plants"]

[Text] Compared with other products, chemical fertilizers can be considered energy-intensive because during their production, one to two equivalent tons of petroleum are consumed for each ton of the active ingredients of fertilizer produced. In addition to the energy consumed in production, there is also the energy consumed in obtaining the raw materials (.3 equivalent tons of petroleum per ton of phosphate for example), the energy used in transporting the raw materials as well as the energy used in transporting, storing and applying the finished product.

Thus one can see why there is such concern in our country to reduce the consumption of energy used in production at every industrial plant. Hence, in special programs at every combine and chemical enterprise, measures are specified for direct reductions (in energy consumption by improving processing technologies and in making use of thermal flows in production) as well as indirect reductions (making use of by-products of reactions, noble gasses, the hydrogen and oxygen of residual carbon, calcium carbonate, phosphates etc.), exploiting reusable energy resources (including urban heating) or obtaining finished products requiring less consumption as, for example, liquid chemical fertilizers.

In general, chemical fertilizer production worldwide not only must consider the high level of energy consumption but also the rapid reduction of certain natural resources, market factors (reduced prices because of less demand in developed countries and the financial straits that many developing countries urgently needing chemical fertilizers for their agriculture find themselves in) and the ecological restrictions in the use of chemical fertilizers in certain countries. The degree to which these factors affect the production of chemical fertilizers in a given country may vary, but their presence is, general, a fact of life in the area of chemical fertilizers, and has forced in their production, a new stage in the development of technology. Wide ranging research--designing improvements in production technology, creating new types of chemical fertilizers for agriculture, new forms of conditioning these fertilizers--are current activities intended to contribute effectively to the reduction of energy and raw material consumption. At the same time, interdisciplinary research looks to promote nitrogenizing inhibitors of

fertilizers in the soil, and to put into production new varieties of organo-mineral fertilizers and biofertilizers.

Such concerns are evident in our country as well: ICECHIM [the Central Institute for Chemical Research], the Craiova Research Central and the Institute of Engineering Technology and Design for the Chemical Industry are pursuing programs to diversify products, to improve technologies and to set up production lines for organo-mineral chemicals. These steps are in keeping with the worldwide trends to adapt the chemical fertilizer industry to the new demands of technology and agriculture as well as to the need to conserve energy. As an example of the effects of this concern, the specialized literature in the field makes mention of producing nitrous fertilizers in very large granules and thereby obtaining a 1000 kilogram increase in the harvest of corn when compared with the same dosage applied in granules of the normal size (1-3 mm). Increasing the efficiency of chemical fertilizers at the consumer level implicitly brings with it a relative energy savings proportional to the increased yield.

The changes forced by the new demands on the chemical fertilizer industry are approached differently from country to country depending on resources, the potential of research and development sectors required to modernize the production infrastructure and maintain it at world standards for technology and economic performance, and policies and strategies for developing agriculture. In this regard, the following adaptations to chemical fertilizer production can be made:

- reducing production as a function of the country's own resources or to an acceptable profit margin (this is a more or less general characteristic of industrially developed countries);

- modernizing the technical processes, machinery and industrial equipment. Romania is in this competition; the IPROCHIM process for producing phosphate fertilizers, by virtue of its technical characteristics, meets modern standards (product 96-981 with an energy consumption of 83 kWh per ton of P2O5).

There is a net distinction between activities to improve production technologies, machinery and equipment and activities to modernize per se. By relying simply on improvement activities (which those in the chemical fertilizer industry perform on a routine basis) one cannot achieve the drastic cuts in technological consumption that are demanded by the fierce competition between industrial plants, the obligation to be economically efficient given today's market conditions and the maintenance of an energy to final product cost ratio within efficient limits. The rapidity of technological advance has convinced some industrially developed countries that it is more advantageous to modernize existing installations and extend their production capacities than it is to invest capital in new plant construction.

One of the indices which separates improvement activities from those of technological modernization is energy consumption. Any activity undertaken in this arena must result in at least a 25 percent reduction of energy consumption to be considered a part of production modernization. Reductions under this amount are part of routine improvements of production technology. Thus when we speak of activities to reduce specific energy consumption by



production modernization we mean: Energy integration of the production plants (sulfuric acid production facilities have achieved energy independence); energy integration of production installations at industrial complexes; territorial energy integration to make use of recoverable energy resources at thermodynamically reduced levels; and using intermediate energy flows at ammonia synthesis plants to generate electrical energy. Modern methods of cogeneration reduce electrical energy costs and have a positive effect on the energy efficiency of the plant; the use of recoverable energy resources with reduced thermodynamic parameters (in agriculture, fish breeding, urban heating, drying processes in local industries, sterilization processes in the food business etc.) could reuse 20 to 30 percent of the primary energy resources consumed in producing chemical fertilizers. For our country this would mean that about 1.2 to 1.8 million equivalent tons of petroleum could be effectively (and thereby efficiently) used in the national economy.

--A relative reduction of energy consumption by: using as raw materials in the synthesis of ammonia the by-products of other industrial processes such as: hydrogen from coal carbonizing gasses, nitrogen from plants that separate oxygen from air in steel foundries, carbon monoxide from converters in metallurgy and so on; making use of by-products from the fertilizer synthesis process (for example, the non-reacting hydrogen which represents about 20 percent of the total used in the process); integrating production (urea-methanol) or reintroducing hydrogen, after purification, in the synthesis process (a summary inventory of the volume of hydrogen in the Romanian economy demonstrates that about two billion Nmc of residual hydrogen could be used as an alternate source of raw material for the synthesis of ammonia); wide-scale promotion of liquid instead of solid, granulated fertilizer which would realize a 20 percent savings in total energy consumption; increasing the value of fertilizer usage by improving efficiency at application (new varieties of fertilizers for pastures and hay, horticulture, forests, rice fields, legumes etc.); and placing phosphate production facilities in countries rich in the appropriate natural resources to avoid transporting the 70 to 80 percent sterile material contained in phosphoric rock.

--Making ammonia plants more flexible so they can use a wider range of raw materials (the distillates of heavy petroleum, natural gas, lignites etc.)-- this is a condition for ensuring continued production independent of the geopolitical conditions involved in obtaining natural resources. Interesting in this regard is the experience of an international company in building a plant for synthesizing ammonia that uses coal as a raw material. By gassifying the coal (to obtain the mix of carbon monoxide and hydrogen--the raw material in obtaining ammonia) it produces thermal energy, the use of which leads to the idea that the production of ammonia could be viewed as a by-product of a plant designed to chemify coal.

For our country, the measures which appear to be opportune for adapting the chemical fertilizer industry to the evolutions appearing in international practice can be summarized as follows:

--Selecting technologies that can be modernized and eliminating the old plants and technologies that can no longer be modernized (from a technical and economic standpoint.) Standardizing technologies and plants to minimize the required financial investments.



--Obtaining the technologies, machinery and equipment necessary for modernization.

--Maintaining technical and economic performance at world standards for modernized plants (this includes programs for basic research.)

--Energy integration of plants and industrial complexes in regional planning to make full use of recoverable energy resources in the national economy. Building model units to use recoverable energy resources in heating agricultural greenhouses, in intensive fish farming, in cultivating phytomasses, soil-heating, urban heating, drying processes etc. These model units could establish technical and economic benchmarks and could serve as demonstrations to rapidly expand the practice of using recoverable energy resources.

--Continuing the process of modernizing product lines toward those types and varieties that consume less energy (liquid fertilizers, mixed instead of complex fertilizers, organic-mineral fertilizers etc.).

--Promoting various forms of international cooperation in technology (and thus making full use of our own experiences) to optimize results obtained and minimize redundant research.

In conclusion, the complex modernization of plants that produce chemical fertilizers in our country (the production infrastructure and production structure) is a particularly important activity with the energy criterion, which obviously falls under the heading of economy, influencing the breadth of the modernization process.

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## ROLE OF WOMEN IN SOCIETY DISCUSSED

Prague TVORBA in Czech 4 Feb 87 p 4

[Article by Antonin Rasek: "A Problem Called Woman"]

[Text] A round-table discussion about the working and living conditions of working women ended without any new insights and apparently also slightly out of focus with the conclusion: family is the foundation of the state, and family is overburdened.

Perhaps we should feel gratified with the fact that some institutions, in this particular instance the TES--the Institute of Metallurgy and Heavy Engineering--are tackling women's problems even at times other than the celebration of the International Women's Day, that programs for sociological research are being planned and implemented, and that proposals specifying needed improvements in the situation of our working women are being prepared for our top decisionmaking bodies.

However, let us go back to the so often repeated truth that family is the foundation of the state. Its importance will be magnified if we confront its existence with the nature of our social structure. The state is built and society is represented mainly by vertically arranged structures. In the final analysis, their function is projected in the most fundamental horizontal structure--namely, family, which of course bears that burden with increasing difficulty, as shown by survey and experience.

Here is the root of many of our problems--beginning with children's upbringing, through their training for their future vocation, up to the safeguarding of the biological continuation of our nations. Because many vertical structures do not provide the best possible conditions for families, in the end women must bear the heaviest burden.

If we take a critical look at the postwar period, we may see that in many ways we have not advanced our concept of woman as a work force. On the other hand, we stress her function as mother. Woman's problem is then viewed as a conflict between her role as worker and as mother.

In my opinion, the theory of a conflict between woman's role as a work force and as a mother is not only fallacious but in many respects misleading because

women do not function solely as workers and as mothers but also as wives, family members and friends: they are engaged in work which benefits our public, in leisure activities, and so on.

From this point of view the theses that women may find self-fulfillment only in the work process does not sound quite tenable. By that I do not intend at all to deny its vital importance, for example, for women's equality. Nevertheless, woman's true fulfillment and self-fulfillment stem from the best possible combination of her roles. That depends essentially on her value orientation and--in terms of the work process--on the degree of her professional qualifications. For highly qualified women work may be, and often is, the main source of self-fulfillment, while for others it is no such thing. Those who were able to study the performance of women employed in those branches of industry where women predominate, can hardly think otherwise than that such work is basically nothing more than economic necessity.

Just as invalid are the conclusions of many sociological surveys that, as compared with men, such routine, dull jobs suit women perfectly well because they allow them to ruminate about the upbringing of their children, about their relation to their husbands, or about housework. After all, this is a matter of necessity. Therefore, if we really want to help our women workers, we should first of all automatize their work. It is not enough to install advanced machinery; women should be retrained to work at such jobs. Unfortunately, thus far we have preferred men for such work.

The theory that woman's role as mother conflicts with her role as worker has another negative aspect: it silently ignores--and thus, also weakens--man's role as father, which seems most essential in a situation where women have taken over several branches, organizations and institutions involved in children's education. The male factor cannot vanish from children's upbringing. The negative consequences are disturbing especially in technology and innovation as one of the sources of our economic intensification.

However, it does not mean at all that the family burden should be shifted from woman to man. This is no rhetorical warning but a simple fact. Some years ago sociological research noted serious disproportions in the amount of women's and men's free time--naturally, to women's disadvantage. Since then women's leisure time has increased--to the detriment of men for whom it decreased. That is not an encouraging fact if we consider at this point that the average age of men in our country has declined to 67 years, although I would not want to allege that it is the only--though it may be the most relevant--reason.

Thus, it seems that in many ways the solution to women's working and living conditions has exceeded the bounds of women's issues and that we no longer can apply only partial remedies. Although, for instance, in terms of household furnishings with durable goods we are among the most advanced countries in Europe, we are still painfully lacking a really comprehensive program to take drudgery out of housework. For illustration: our production of semi-prepared and canned foodstuffs amounts to 20 servings per person per year, although we need at least 10 times that amount. Not only do we lack

appropriate facilities, but the high cost of food processing puts such products out of reach of families with several children. Increased prices of dry-cleaning and housecleaning returned some of those chores back to households; despite many successful achievements of dining services in enterprises only half of the employees are benefiting from them; moreover, there are problems with food services for older students of elementary and secondary schools, with meal services for retired persons, etc.

In many respects all those problems of working and living conditions are trivial and may prevent us from more profound contemplation of women's self-fulfillment and genuine equality which certainly does not mean any imaginary catching up with men or imitation of men, but the development of women's most intrinsic characteristics. However, that is already another story.

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## SUBSTANTIAL INCREASE IN FOREIGN TOURISM IN 1986

Budapest NEPSZAVA in Hungarian 2 Jan 87 p 12

[Article: "Foreign Tourism Increased Significantly in Our Country"]

[Text] During the past year the number of foreign tourists visiting our country increased by 9 and 1/2 percent: according to the balance totaling the data for the eleven month period domestic and foreign travelers crossed our borders 46.8 million times.

During this period nearly 15.5 million foreign tourists visited our country or traveled through our country. The overwhelming majority--almost 11 million 700,000 visitors--were from socialist countries. In accordance with tradition most of the visitors to our country were from our neighbor to the north although, the the number of visitors from Czechoslovakia declined. And similarly there were less tourists from Rumania. In contrast to this, the number of travelers from Yugoslavia and Poland increased considerably--by 55 and 56 percent respectively. Now, for the first occasion the tourist traffic from the Soviet Union has increased dramatically; we received nearly 12 percent more tourists from the Soviet Union than before. Nine percent more tourists from the GDR sought out our country than in the previous year.

The number of tourists from capitalist countries visiting our country grew significantly; their total almost equals to nearly a quarter of the total incoming traffic. More visitors than ever before--22 million--were from Australia, and ever more tourists from France, Holland, that is, Danes choose our country as their travel destination. The sudden decline in the number of tourists from FRG in the second half of May and first weeks of June made its effects felt in the formation of tourist traffic. Nearly 820,000 arrivals from FRG were recorded which 4.4 percent below last year's level. However, the greatest level of decline was among the transatlantic travelers. The decrease in the number of tourists from America and Canada visiting the Old World was observable throughout Europe. The number of American tourists visiting our country declined by nearly 30 percent.

The tourist traffic for the entire year--according to preliminary indicators--has surpassed all previous years: it reached the 48-49 million threshold.

As a result of expansions and seasonal organizational changes at the border crossing points on the Hungarian side--with the exception of the crossings at Sopron and Parasztpuszta which again proved to be limited--travelers, on average, had to wait less than 30 minutes. Greater congestion was an impediment to tourist traffic only on the stretch of territory bordering Rumania, at Nagylak and Biharkeresztes, and in the beginning of December travelers going abroad experienced one to two hour delays at the Hegyeshalom border crossing point, on the Austrian side.

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## COOPERATIVES NEED MILLIONAIRE'S SERVICE PARTS TO HARVEST

Budapest ELET ES IRODALOM in Hungarian 16 Jan 87 p 12

[Article by Laszlo Zoldi: "Agile Millionaires"]

[Text] I read with amazement the report in last week's issue of ELET ES IRODALOM by Jozsef Bellai. I was not astounded that the Pinter Works is standing and expanding, not even that the jack-of-all-trades of Kecel outdoes the technically well-founded state enterprises. What captured my attention was that he openly accepts himself. He lives the millionaire's existence with a worker's consciousness and is almost proud of the fact that he is a good, taxpaying citizen.

It was not always like that. I know the region since my childhood, I had seen millionaires--more than one in Soltvadkert, for instance--but they seldom bragged about their wealth, their inventiveness, or their morality as a taxpayer. It occurred to me that being a millionaire seemed by no means unusual in the fifties and sixties. In almost every village, there have been jacks-of-all-trades and entrepreneurs who were known to be millionaires by the locals. In my native village, Dunapataj, everyone knew Mr David, the dour jack-of-all-trades who repaired with extreme ease any car, threshing mashine, perhaps even tank; at any rate, there was no technical problem that would have gotten him. Or later, in Kiskoros, everyone knew about Andi Farkas, the soda water delivery man and hauler, that it is worth while to approach him with ideas; it pays. What is thought-provoking in the phenomenon is that millionaires of the eighties are not secretive, opinions about them are also completely different from what they were just ten-twenty years ago. It is also attested to by the film entitled "The Millions of Uncle Koszo."

Film? Short film. Report, a slice of life, altogether eighteen and a half minutes long. He has been all over the country, its director, one of the most experienced reporters, Jozsef Csoke, has participated in a great number of audience get-togethers. Morahalom, the site of the filming, is hardly a few tens of kilometers away from the settlements, mentioned above, between the Danube and Tisza rivers. The organizational ability of the peasant with a sixth grade education, his business--I am searching for the word, but there is no better expression--genius, have long been known. Namely, Dezso Koszo discovered that the suddenly inflated machine pool of the TSZs and state agricultural enterprises was left without a supply of parts: the partners in the neighboring countries did not consider it their main duty to renew the old

tractors, combines and other power machines. The entrepreneur turned salesman looked around the country and, in the junkyards, he found thousands of discarded but perhaps still usable parts. At home he set up a storeroom and workshop, and the business was on its way. During summertime, the buyers of hard pressed agricultural enterprises followed on each others' heels. Soon after a CB phone was acquired, Mr Koszo no longer merely extinguished the fires but he also developed the system of continuous parts dealership. Meanwhile, he got rich, of course.

His story resembles uncannily the sour cherry pit entrepreneur--known from editorials--whose attention was caught by another contradiction in short supply management (he paid dearly for it). The difference is that Dezso Koszo was not denounced to the police. The TSZs and state enterprises could not harvest without him and the locals also have put up with his neat house, quality car and tourist travels to faraway countries. They put up with it because this millionaire was clever: he not only paid taxes gallantly but also shared some of his profits with the village community. Exciting film sequences show the fish pond system which was a childhood dream of Mr Koszo and now, here it is, realized with his money, for the good of an agricultural association. And when the council president turned to him for help, he willingly assumed half of the expenses: the village bath was increased in size at once. The culmination of the short but very effective film report comes when the childless, altruistic millionaire reveals that he arranged in his will--hopefully he did not make any changes in it since--that, after his death, a foundation should take care of the needy young and old who have difficulty moving because of some physical disability. It is now that we see the leading character in full reality. He "travels" in a hand propelled wheelchair. Some fifty years ago, he caught a cold and his legs became paralyzed. Indeed, he climbed up from the very bottom of society.

The method of bringing out the essential point is a bit disturbing, the author could have revealed it earlier. In my confusion I am thinking: is it possible that the most agile man of our reform is an essentially immobilized peasant citizen?

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